

## SECRETARIES IN THE DIPLOMATIC SERVICE

The following-named Foreign Service officers of class 6 and consuls to be also secretaries in the Diplomatic Service of the United States of America:

Harry E. Carlson, of Illinois.

Hugh S. Fullerton, of Ohio.

Sidney E. O'Donoghue, of New Jersey, now a Foreign Service officer of class 8 and a consul, to be also a secretary in the Diplomatic Service of the United States of America.

Lawrence Higgins, of Massachusetts, now a Foreign Service officer, unclassified, and a vice consul of career, to be also a secretary in the Diplomatic Service of the United States of America.

## FOREIGN SERVICE OFFICERS

## UNCLASSIFIED

The following-named persons to be Foreign Service officers, unclassified, of the United States of America:

Bernard Gufler, of Washington.

Andrew W. Edson, of Connecticut.

George Bliss Lane, of New York.

Paul J. Gray, of Maine.

James W. Riddleberger, of Virginia.

Leo P. Hogan, of New Jersey.

Richard S. Huestis, of New York.

Ralph J. Blake, of Oregon.

William E. Scotten, of California.

Edward Page, jr., of Massachusetts.

Claude B. Chipfield, of Illinois.

Frederic C. Fornes, jr., of New York.

Alan N. Steyne, of New York.

Charles A. Hutchinson, of Minnesota.

William F. Cavanaugh, of California.

William S. Farrell, of New York.

Montgomery H. Colladay, of Connecticut.

Robert Janz, of Oklahoma.

Lucius J. Knowles, of Massachusetts.

Thomas A. Hickok, of New York.

Edmund J. Dorsz, of Michigan.

William K. Ailshie, of Idaho.

William W. Adams, of the District of Columbia.

## VICE CONSULS

The following-named persons to be vice consuls of career of the United States of America:

Bernard Gufler, of Washington.

Andrew W. Edson, of Connecticut.

George Bliss Lane, of New York.

Paul J. Gray, of Maine.

James W. Riddleberger, of Virginia.

Leo P. Hogan, of New Jersey.

Richard S. Huestis, of New York.

Ralph J. Blake, of Oregon.

William E. Scotten, of California.

Edward Page, jr., of Massachusetts.

Claude B. Chipfield, of Illinois.

Frederic C. Fornes, jr., of New York.

Alan N. Steyne, of New York.

Charles A. Hutchinson, of Minnesota.

William F. Cavanaugh, of California.

William S. Farrell, of New York.

Montgomery H. Colladay, of Connecticut.

Robert Janz, of Oklahoma.

Lucius J. Knowles, of Massachusetts.

Thomas A. Hickok, of New York.

Edmund J. Dorsz, of Michigan.

William K. Ailshie, of Idaho.

William W. Adams, of the District of Columbia.

## UNITED STATES CIRCUIT JUDGE

William M. Sparks, of Indiana, to be United States circuit judge, seventh circuit, vice Albert B. Anderson, retired.

## MEMBER OF THE UNITED STATES BOARD OF TAX APPEALS

Eugene Black, of Clarksville, Tex., to be a member of the United States Board of Tax Appeals for the unexpired term of six years from June 2, 1926, vice John B. Milliken, resigned.

## COLLECTOR OF INTERNAL REVENUE

George L. Sheldon, of Pettit, Miss., to be collector of internal revenue for the district of Mississippi in place of George L. Donald.

## APPOINTMENT IN THE ARMY

## CHAPLAIN

*To be chaplain with the rank of first lieutenant*

First Lieut. Andrew Thomas Francis Nowak, Chaplains Reserve, with rank from October 22, 1929.

## PROMOTIONS IN THE REGULAR ARMY

*To be colonels*

Lieut. Col. Frank Thomas McNarney, Cavalry, from October 19, 1929.

Lieut. Col. Thomas MacAllister Knox, Quartermaster Corps, from October 20, 1929.

*To be lieutenant colonels*

Maj. Frederick Julius Ostermann, Infantry, from October 19, 1929.

Maj. William James Connolly, Infantry, from October 20, 1929.

*To be majors*

Capt. Jay Kenneth Colwell, Cavalry, from October 19, 1929.

Capt. Lawrence Wellburn Fagg, Infantry, from October 20, 1929.

Capt. Albert Russell Ives, Field Artillery, from October 22, 1929.

## DENTAL CORPS

*To be major*

Capt. William Swann Shuttleworth, Dental Corps, from October 19, 1929.

## MEDICAL ADMINISTRATIVE CORPS

*To be captain*

First Lieut. Harvey Israel Rice, Medical Administrative Corps, from October 19, 1929.

## PROMOTIONS IN THE NAVY

Commander Robert L. Ghormley to be a captain in the Navy from the 11th day of October, 1929.

Lieut. Commander Percy W. Northcroft to be a commander in the Navy from the 6th day of June, 1929.

Lieut. (Junior Grade) Douglas P. Stickley to be a lieutenant in the Navy from the 27th day of March, 1929.

Lieut. (Junior Grade) John E. French to be a lieutenant in the Navy from the 1st day of July, 1929.

Lieut. (Junior Grade) George E. Palmer to be a lieutenant in the Navy from the 16th day of July, 1929.

Lieut. (Junior Grade) Emory P. Hylant to be a lieutenant in the Navy from the 2d day of August, 1929.

Lieut. (Junior Grade) Valvin R. Sinclair to be a lieutenant in the Navy from the 27th day of September, 1929.

Lieut. (Junior Grade) Augustus D. Clark to be a lieutenant in the Navy from the 1st day of October, 1929.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 3d day of June, 1929:

John F. Greenslade.

Louis E. Gunther.

## WITHDRAWAL

*Executive nomination withdrawn from the Senate October 25 (legislative day of September 30), 1929*

## MEMBER OF THE UNITED STATES BOARD OF TAX APPEALS

Eugene Black, of Clarksville, Tex., to be a member of the United States Board of Tax Appeals for the unexpired term of six years ending June 7, 1932, in place of John B. Milliken, resigned, which was submitted to the Senate October 21, 1929.

## SENATE

*SATURDAY, October 26, 1929*

*(Legislative day of Monday, September 30, 1929)*

The Senate met at 10 o'clock a. m., on the expiration of the recess.

Mr. FESS obtained the floor.

Mr. HEFLIN. Will the Senator yield?

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Alabama?

Mr. FESS. I yield.

## FASCIST LEAGUE OF NORTH AMERICA

Mr. HEFLIN. Mr. President, I send to the desk a resolution, which I would like to have read.

The VICE PRESIDENT. Does the Senator from Ohio yield for that purpose?

Mr. FESS. I do.

The VICE PRESIDENT. The resolution will be read.

The legislative clerk read the resolution (S. Res. 141), as follows:

Whereas there has been published in Harper's Magazine for November, 1929, an article by Marcus Duffield entitled "Mussolini's American Empire"; and

Whereas it is alleged in such article that persistent efforts are being made by the Fascist League of North America, a corporation of the State of New York, and its local branches throughout the United States, to prevent the Americanization of Italians in this country, to stifle at any cost all criticism of Mussolini, and to silence the opponents of fascism; and

Whereas it is further alleged that the Fascist League of North America is subject to the direct orders of the head of the Bureau of Fascism Abroad established in Italy by Mussolini; and

Whereas it is further alleged that all the Italian-language newspapers in the United States, with but two exceptions, have been brought under the influence of the Fascist and that the readers of those newspapers are taught to regard Italians who become American citizens as renegades; and

Whereas it is further alleged that the relatives in Italy of persons living in the United States who are opposed to Fascism have been annoyed, embarrassed, and threatened with arrest and imprisonment in order to intimidate such persons in the United States and compel them to become members of the Fascist League of North America; and

Whereas it is further alleged that sons of American citizens of Italian descent are being taught in Italian schools established by the Fascist and are being given preliminary training and being organized into junior Fascist orders against their parents' wishes and over their protests, to fit them for the Fascist army; and

Whereas it is further alleged that certain American citizens of Italian descent (including F. N. Giavi, of New York City, and Carlo Ragno, of Hoboken, N. J.), who have recently visited Italy have been arrested and imprisoned and have had their American passports taken away because they were opposed to the Fascist activities in the United States; and

Whereas it is alleged that because of the fixed policy of arresting for military duty all eligible American citizens of Italian blood visiting Italy, except members of the Fascist organization in good standing, our Government has felt it necessary to open new negotiations with the Fascist government for the purpose of concluding a naturalization treaty; and

Whereas it is essential that the Senate be fully informed of the facts with respect to these allegations and the political activities of Fascist organizations in the United States; Therefore be it

Resolved, That the Secretary of State is requested to report to the Senate as soon as practicable all information which has been obtained by the Department of State with respect to the matters referred to in the preamble of this resolution or with respect to any other matters relating to the political activities of the Fascist League of North America or any other groups or organizations of Fascist in the United States.

Mr. HEFLIN. Mr. President, Harper's Magazine for November contains a very interesting and remarkable article setting forth the activities of Mussolini's Fascists in the United States. That article reveals a shocking and a terrible condition. Think of these foreigners coming here and coercing American citizens into joining an organization which pledges its allegiance to a foreign ruler.

Mr. President, a few years ago before we restricted immigration, when foreigners were coming in here by the hundreds of thousands, every group of any size from certain countries had a Roman Catholic priest with it, and I read into the debate in the House at that time a newspaper statement reporting the arrival of these foreigners showing that the priest assigned to the various groups urged them not to be naturalized—not to become American citizens, but to remain loyal to the countries from which they came and to secure jobs and make money to send back home to bring more of their people to the United States.

This dangerous practice, so far as it can be carried on in secret, is still in vogue. They are sending back every year millions of dollars to carry on that work and to smuggle in certain foreigners. And now certain foreign countries, especially interested in striking down vital American institutions and changing our form of government, have in the last four years established in New York State and in some other States in the East a foreign organization antagonistic to American ideals

and institutions which disrespectfully, insolently, boldly, and brazenly demands of duly naturalized American citizens from those countries who came here in good faith that they pledge their allegiance to and give whole-hearted support to Mussolini and his Roman Fascist régime. And now, Mr. President, American citizens of Italian descent and Protestant faith here in the United States are being pestered and plagued by these hostile and arrogant agents of Mussolini because they have expressed the desire and determination to be free from foreign influence, interference, and intimidation as they devote themselves wholeheartedly to the work of becoming worthy and faithful American citizens are calling upon this Government to which they have sworn allegiance to protect them and immediately relieve them and their children in New York and other States from the annoyance, the threats, the intimidation, and violence which they are daily and nightly enduring in the United States at the hands of Mussolini's Roman Fascist régime.

Two years ago in the Senate I called your attention to the protest of Protestant American citizens of Italian descent to the un-American activities of the Mussolini Fascists in the United States and again 18 months ago and 6 months ago. These loyal American citizens of Italian descent have a right to demand that they be free from Fascist interference anywhere and everywhere at all times in the United States.

I ask the Senator from Idaho [Mr. BORAH], chairman of the Committee on Foreign Relations, to aid me in getting immediate action upon the resolution which I have introduced.

Mr. President, the editor of Harper's Magazine, in commenting on the Duffield article regarding the dangerous activities of Mussolini's Fascist agents in the United States, said:

The readers of this magazine will be surprised and shocked to learn from Marcus Duffield's article the extent of Fascist activity in America and to discover how lightly those responsible for it regard the rights of American citizenship. Mr. Duffield, a young New York newspaper man, has made a close study of the Fascist movement in this country and has accumulated documentary proofs of many a flagrant case cited in his article. It seems to us that the evidence which he sets forth in his article should interest the State Department.

The VICE PRESIDENT. The resolution will be referred to the Committee on Foreign Relations.

## CALL OF THE ROLL

Mr. CARAWAY. Mr. President—

The VICE PRESIDENT. The Senator from Ohio has the floor. Does he yield to the Senator from Arkansas?

Mr. FESS. I yield.

Mr. CARAWAY. Mr. President, will the Senator yield to enable me to present a report from the special committee dealing with one phase of its investigation touching what is now known as the Bingham incident? I desire to make a few remarks about it.

Mr. HARRISON. Mr. President—

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Mississippi?

Mr. FESS. I yield.

Mr. HARRISON. I should like to suggest the absence of a quorum. This is rather an important matter.

Mr. FESS. That is the point I had risen to make. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Allen	Edge	Kendrick	Simmons
Ashurst	Fess	King	Smith
Barkley	Fletcher	La Follette	Smoot
Bingham	Frazier	McKellar	Steck
Black	George	McMaster	Steiner
Blaine	Gillett	McNary	Swanson
Blaise	Glenn	Moses	Thomas, Idaho
Borah	Goff	Norbeck	Thomas, Okla.
Bratton	Goldsborough	Norris	Townsend
Brock	Gould	Nye	Trammell
Brookhart	Greene	Oddie	Tydings
Broussard	Harris	Overman	Vandenberg
Capper	Harrison	Patterson	Wagner
Caraway	Hatfield	Phipps	Walcott
Connally	Hawes	Pine	Walsh, Mass.
Copeland	Hayden	Ransdell	Walsh, Mont.
Couzens	Healin	Robinson, Ind.	Warren
Cutting	Howell	Sackett	Waterman
Dale	Johnson	Schall	Watson
Deneen	Jones	Sheppard	Wheeler
Dill	Kean	Shortridge	

Mr. FESS. The junior Senator from Ohio [Mr. BURTON] is still detained from the Senate on account of illness. I ask that this announcement may be allowed to stand for the day.

The senior Senator from Washington [Mr. JONES] is detained from the Senate on official business.



The senior Senator from Maine [Mr. HALE] is absent on account of illness.

Mr. TOWNSEND. I desire to announce the absence of my colleague the senior Senator from Delaware [Mr. HASTINGS], who is necessarily detained on official business.

Mr. SCHALL. My colleague [Mr. SHIPSTEAD] is absent, ill. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

#### INVESTIGATION OF LOBBYING

Mr. CARAWAY. Mr. President, from the special committee appointed under Senate Resolution 20 for the investigation of lobbying I am directed to report touching one phase of the investigation—that is the employment of Mr. Eyanson.

The VICE PRESIDENT. Is there objection to the receipt of the report? The Chair hears none, and the report will be received.

Mr. CARAWAY. I ask to have the report read.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The legislative clerk read the report (No. 43), as follows:

[Senate Report No. 43, Seventy-first Congress, first session]

#### LOBBYING AND LOBBYISTS

October 25, 1929

Mr. CARAWAY, from the subcommittee of the Committee on the Judiciary, submitted the following preliminary report (pursuant to Senate Resolution 20):

Your committee, named by the chairman of the Committee on the Judiciary, pursuant to Senate resolution 20, having had under consideration the matter of the association of one Charles L. Eyanson, assistant to the president of the Manufacturers Association of Connecticut (Inc.), with the Hon. HIRAM BINGHAM, a Senator from that State, during the consideration by the Finance Committee of the Senate and the majority members thereof of the pending tariff bill (H. R. 2667), and having completed that phase of its work, beg leave to report as follows:

The Manufacturers Association of Connecticut (Inc.) is an organization in the nature of a trade association, the purpose of which is to promote the general interests of its members in their business, manufacturing establishments of the State of Connecticut, including the New York, New Haven & Hartford Railroad Co. Its business at Hartford, Conn., is under the immediate supervision and direction of the said Charles L. Eyanson, under the president thereof, E. Kent Hubbard. Eyanson is paid a salary of \$10,000 per annum by the association. He came to Washington while the tariff bill referred to was under consideration by the Committee on Ways and Means of the House of Representatives in the early part of the present year, and aided members of the association in preparing arguments and data for submission by them to the committee referred to.

On February 25, 1929, Senator BINGHAM wrote to Mr. Hubbard, saying among other things:

"I am wondering whether there is anyone whom you could loan me as an expert adviser on tariff problems, particularly those in which Connecticut is interested."

In explanation of the letter Senator BINGHAM told the committee that the people of the State generally were vitally interested in tariff questions and that he was unfamiliar with the problems presented by legislation of that character, having devoted much of his time while in the Senate theretofore to other subjects. A copy of the letter of Senator BINGHAM, referred to, is hereto attached, marked "Exhibit A" and made a part of this report.

Mr. Hubbard replied in a sympathetic way, his letter being likewise attached, marked "Exhibit B."

A copy of the letter from Senator BINGHAM was sent to each member of the association and the views of the members solicited. The replies were generally favorable, the treasurer suggesting that the board of directors be authorized "to utilize an amount not to exceed \$5,000 to be expended in connection with tariff work in Washington." A limitation of the amount to be expended was suggested in a number of the replies. By arrangement between Hubbard and Senator BINGHAM, entered into at the office of J. Henry Roraback, chairman of the Republican State Committee of the State of Connecticut, Eyanson was deputed as aide to Senator BINGHAM pursuant to his request, the board of directors of the association adopting a resolution as follows:

"That the vote received by letter authorizing aid to Senator BINGHAM in protecting interests of Connecticut manufacturers be confirmed.

"It was further reported that the staff of the association had been engaged in a comprehensive analyses in columnar form of the Underwood, Fordney-McCumber tariffs; the request presented before the Ways and Means Committee of the House and the schedules proposed in the House bill (H. R. 2667) now before the House of Representatives for action, and furthermore that a representative would shortly be in Washington to assist Senator BINGHAM personally in his office."

Eyanson came to Washington to take the position, in effect, as a clerk in the office of Senator BINGHAM, in which he had a desk where he received callers who came to consult with him or Senator BINGHAM, or both. He assembled material for the use of Senator BINGHAM in connection with the hearings before the Senate Committee on Finance and attended the hearings, occupying a seat from which he could communicate at any time with Senator BINGHAM, and aided him with suggestions while the hearings were in progress. After the hearings were completed the majority members went into secret session for the purpose of considering the bill. At that time, at the direction of Senator BINGHAM, Eyanson was sworn in as clerk of the Committee on Territories and Insular Possessions, of which Senator BINGHAM was then, and is now, the chairman, displacing one Henry M. Barry, who was told by Senator BINGHAM that his salary would nevertheless continue. This course was pursued, the committee was told by Senator BINGHAM, that Eyanson might be "subject to the discipline of the Senate," the significance of the phrase being left unexplained.

After Eyanson had thus been introduced into the secret meetings of the majority members and had sat with them for some two or three days, Senator SMOOT, chairman of the committee, inquired of Senator BINGHAM whether he, Eyanson, was an officer or employee of the Manufacturers Association of Connecticut, and being advised that he was, Senator BINGHAM was told by Senator SMOOT that objection had been made to Eyanson's presence in the committee and intimated it would be better if he did not longer attend. Senator BINGHAM then inquired as to the attitude of other members of the committee and from the views thus elicited reached the conclusion that Eyanson ought not longer to attend the meetings, and he did not. Eyanson drew his salary as clerk of the Committee on Territories and Insular Possessions. At the end of his first month's service as such he turned the amount so received over in cash to Senator BINGHAM. The remainder of his salary while he continued on the rolls he drew and turned over to Mr. Barry, the whole amounting to \$357.50.

One of the subordinates of Mr. Eyanson, pursuant to the practices of his office, on the 30th day of August, 1929, prepared on a blank provided for that purpose a memorandum, as follows:

"THE MANUFACTURERS ASSOCIATION OF CONNECTICUT (INC.).

"August 30, 1929.

"Memorandum to Mr. Eyanson from Mr. Wulchet.

"Subject: Information for Senator BINGHAM.

"In telephone conversations with Mr. Henderson, of the Crescent Fire Arms Co., and Mr. Warner, of the Davis & Warner Arms Co., both of Norwich, in reply to an inquiry originating with Mr. Henderson, I informed these gentlemen that Senator BINGHAM met with very strong opposition to the 10 per cent duty on rough-bored shotgun barrels from the Savage Arms Co. et al., and three influential members of the Senate Finance Committee, Senators SMOOT, chairman, REED, and EDGE; and that Senator BINGHAM considered it a decisive victory to have held the duty where it now stands in the House bill, at 10 per cent, in face of a very strong effort to raise it to 30 per cent."

It is obvious from the memorandum that Wulchet, who was in Hartford, Conn., at the time the memorandum was written, had information concerning some of the proceedings in the secret meetings of the majority members of the Finance Committee, but he informed your committee that he had no recollection of the source of his information, and while he denied that it came from Eyanson he admitted that he could assign no other source from which it could come. This witness told the committee that he is a dollar-a-year man of the Department of Commerce. He holds the position of foreign trade secretary of the Manufacturers Association of Connecticut, a position which requires him to ascertain and assemble information of value to the members of the association for the promotion of their foreign trade and to convey the same to them as an officer or employee of the Department of Commerce. Having taken, as usual, the official oath, he gathers information in and about Hartford, as requested by the Department of Commerce, or that may be of service to it in its work, and secures information from the department of value to manufacturers in that section. In this connection your committee calls attention to the following provision of the act of 1917 (39 Stat., pt. 1, p. 1106):

"That on and after July 1, 1919, no Government official or employee shall receive any salary in connection with his services as such an official or employee from any source other than the Government of the United States, except as may be contributed out of the treasury of any State, county, or municipality, and no person, association, or corporation shall make any contribution to, or in any way supplement the salary of any Government official or employee for the services performed by him for the Government of the United States. Any person violating any of the terms of this proviso shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not less than \$1,000 or imprisonment for not less than six months, or by both such fine and imprisonment, as the court may determine."

It appeared from evidence before the committee that, in respect to 52 of the leading industries of the State of Connecticut the pending tariff

bill recommends raises in the duties on 44. With respect to 7 it remains unchanged, and in one instance it provides for a decrease.

After the departure of Eyanson from Washington on the completion of his work here with Senator BINGHAM, the latter transmitted to him a check for \$1,000, which has never been cashed, the recipient having determined tentatively on its receipt to return it personally rather than by letter to Senator BINGHAM, but now remains undecided as to what disposition he should make of the check.

Senator BINGHAM was, at the time Eyanson came to his office, paying all the clerks sums in addition to their official salaries and would be obliged, he felt, to employ one or two additional stenographers. He hoped, when asking the assistance of the manufacturers' association, to get a high-grade man, whose salary the Senator felt he could not pay in view of the fact that he was paying additional salary to four clerks.

As heretofore stated, the New York, New Haven & Hartford Railroad Co. is a member of the Manufacturers Association of Connecticut. A reply to one of the circular letters sent out by President Hubbard, heretofore referred to, addressed to E. G. Buckland, vice president, came signed "E. G. Buckland, chairman," which was as follows:

"Answering your letter of March 5, I am strongly of the opinion that the association should leave nothing undone to assist Senator BINGHAM in the presentation of briefs giving the facts and arguments in favor of tariff rates such as the industries of Connecticut believe should be adopted in the new tariff bill. The fact that one of our Senators is willing to undertake this work not only justifies but practically demands that the association should support him to the limit."

The New York, New Haven & Hartford is one of the largest contributors to the revenues of the Manufacturers Association of Connecticut, amounting to \$100,000 annually, the contributions of the railroad company on the basis of the number of men in its service being approximately \$4,000 annually. The committee questions the propriety of the utilization of the funds of a railroad company for the payment of the services of a lobbyist in Washington. Whether such contributions are forbidden by any statute may be the subject of further communication from your committee. Meanwhile the committee recommends the adoption of a resolution by the Senate calling upon the Secretary of Commerce to furnish to the Senate a list of all officials employed by the department in the regular service of private individuals or corporations drawing a salary of \$1 a year or any other sum from the Government.

Respectfully submitted.

T. H. CARAWAY, *Chairman.*

#### EXHIBIT A

UNITED STATES SENATE,  
February 25, 1929.

Hon. E. KENT HUBBARD,  
*President Manufacturers Association of Connecticut,  
Hartford, Conn.*

MY DEAR MR. HUBBARD: As you know, many matters of great importance to the manufacturers of Connecticut and our citizens generally will come up during the extra session, particularly while the tariff is being discussed in committee and on the floor of the Senate.

I am wondering whether there is anyone whom you could loan me as an expert adviser on tariff problems, particularly those in which Connecticut is interested.

It seems to me that it would be advantageous if I could have some one on whom I could rely for summaries and briefs, giving the facts and arguments in favor of such rates as the people of Connecticut believe should be adopted in the general interest.

There is no one in my office who is familiar with this general field.

Our hearings will probably begin about May 1 or 10. During the hearings many questions will arise on which I should like to have expert advice. Then when the committee begins considering the bill in executive session I ought to have a well-prepared brief on every schedule in which Connecticut is interested. Could you help me out?

Sincerely yours,

HIRAM BINGHAM.

#### EXHIBIT B

FEBRUARY 28, 1929.

Hon. HIRAM BINGHAM,  
*United States Senate, Washington, D. C.*

MY DEAR SENATOR BINGHAM: I was most gratified to receive your letter of February 25 in regard to the tariff.

Connecticut industry has been apprehensive ever since the announcement of Senator McLean's retirement, but with the knowledge which comes through your letter that you are planning to study the matter in your usual thorough manner, that apprehension is relieved.

Tariff and transportation are two of the most vital subjects to Connecticut manufacturers, and you may rest assured that we will arrange to provide for all the facilities for information which you may need during the hearings before the Senate Finance Committee and during

the executive sessions. The person or persons whom we shall select will be representative of Connecticut industry and will be thoroughly competent on tariff matters.

Again let me express my appreciation for your cooperation. I shall arrange to confer with you personally or, if that isn't possible, through a representative well before the date of hearings.

Very truly yours,

E. KENT HUBBARD, *President.*

Mr. CARAWAY. Mr. President, the committee thought, in view of the extraordinary circumstances attending this transaction, that it was its duty to call to the attention of the Senate immediately the information it acquired during its investigation. It seems to the committee that it strikes at the dignity and the honor of the Senate and would tend to shake the confidence of the American public in the integrity of legislation.

The Connecticut Manufacturers Association, practically every member of which was interested in the pending legislation, was applied to by a Member of the Senate to loan to him an expert in tariff matters as they might affect the demands and necessities of the members of the Connecticut Manufacturers Association.

Before I go further, however, and lest I might forget it, I will say that I am sure that the testimony reveals that the letter of the Senator from Connecticut to the Connecticut Manufacturers Association was not the first communication between that association and the Senator from Connecticut touching the subject of tariff legislation, because the letter of the Connecticut Manufacturers Association, transmitting this letter of Senator BINGHAM to the various members of the association, calls attention to the fact that the association had approached the Senator from Connecticut and asked him to interest himself in the needs of the members of the Connecticut Manufacturers Association in the forthcoming legislation. Those who testified are silent upon that question, but the letter of transmittal states that the Connecticut Manufacturers Association had approached the Senator, and then later he had written his letter. Whatever significance there may be, in the absence of any evidence of this prior meeting and understanding, if there was one had, I shall not comment upon now.

I said a moment ago that this transaction tends to destroy the confidence which the people at large should have in the integrity and the unselfishness of the source of information as affecting the proposed tariff legislation that was to come out of the Committee on Finance.

The association of which Mr. Eyanson was the assistant to the president, and for which service he received \$10,000 a year, evidently regarded it as a very great victory that it had its representative here in Washington, in a place where he could be of peculiar service to the members of that association. A letter under date of July 19, addressed to Mr. Eyanson here at the Wardman Park Hotel by the president, Mr. E. Kent Hubbard, discloses this fact—I am skipping a part of it, because it has been read. I want to read the third paragraph:

I want you to prepare the way for me with Senator BINGHAM regarding your tenure of office in Washington.

There was a good deal of testimony sought to be adduced as to what was meant by his "tenure of office here in Washington." The gentleman who wrote it is a graduate of a well-known university, and ought to know what the English language means. But we got no information. He says:

I want you to prepare the way for me with Senator BINGHAM regarding your tenure of office in Washington. You have done—

Referring later in the same letter to what Mr. Eyanson had accomplished in the time he had been connected with the office of Senator BINGHAM, and a part of which time he had had the advantage of going into the secret meetings of the Committee on Finance; but, to do Mr. Eyanson justice, I wish now to pause long enough to say that when I asked him about that phase of his activities, he said he did not understand that they had a committee meeting at all; that they had a Republican caucus, and that he thought a Republican ought to be permitted to get into a Republican caucus; and therefore, regardless of the means by which he got in there, he thought it was entirely justified. But Hubbard says:

I want you to prepare the way for me with Senator BINGHAM regarding your tenure of office in Washington. You have done a great deal more than we ever bargained for in the beginning—

What he had bargained for he would not tell us—

and undoubtedly the results which you have accomplished are far-reaching and will bear fruit for some time to come.

What was meant by that, I think, is disclosed by the raises in rates, which would amount to several millions of dollars, in



the things manufactured by the members of the Connecticut Manufacturers Association.

At all events, in the past—

The letter continues. Here is a most significant statement which I wish to call to the attention of the Senate, not for what actually transpired, but as showing what the people who were paying Mr. Eyanson's salary and had gotten him down here in a place where he could be effective thought about it. He says:

At all events, in the past the association, when any tariff matter came up, was always dependent on Senator McLean. Now we are in a position where we can handle it here in the office.

Formerly, when matters affecting the interests of the manufacturers in Connecticut were being legislated upon here in Washington, this association had to rely upon the services of a former Senator, Mr. McLean; but "now," referring to this relation, "we are able to handle these matters in our own office." At least, that is what they thought.

I want you to get out and plan with Mrs. Eyanson for the month of August in the sun on the shore, as you originally hoped to do; and then in September you will be fit as a fiddle to tackle your job here.

I have read the significant part of that letter. There is another letter here which I want to read, to show you what others thought with reference to this transaction. I will ask the Senator from Montana [Mr. WALSH] if he has the marking of the page of the letter of Davis to the association?

Mr. WALSH of Montana. No, Mr. President.

Mr. CARAWAY. I had it here just a minute ago. I shall read it directly. Anyway, a letter was sent out to all the members of the association, and they were asked whether they thought it would be advisable to incur the expense incident to sending a representative here and having a representative of the Connecticut Manufacturers Association in the office of Senator BINGHAM. A Mr. Davis was very much for it. He said: "I am for this proposition 100 per cent. It gives us an advantage, and you pay for what you get; and whatever the expense is, I am for it." I hope to get the letter in a minute and read it.

I cite those two letters to show that the members of the Connecticut Manufacturers Association believed that they were getting an advantage; that they were in a position where they could influence legislation; and that, while it cost money, they realized that they paid for what they got, and got what they paid for; and Mr. Hubbard said, "We got even more than we bargained for, a better deal than we had expected."

As I said a minute ago, I want to call attention to this, because it vitally affects at least the opinion of the public with reference to legislation. Whether or not Eyanson was responsible for changes made in the tariff rates, I am not prepared to say. I do know that the men who paid his salary, who put up the money to put him here, who were parties to the advantages sought, and, I think, obtained by the Connecticut Manufacturers Association, believed that they had a real advantage, and that they had paid for it, and it was theirs; and I think the public at large will think that they were justified in believing that they were paying for a special privilege and got it.

To call attention to that fact, a man speaking for a large industry—an industry affecting the employment of about 25,000 men—was interested in a duty. He came down here and was told that he must get in touch with and get the ear of Mr. Eyanson or his industry was ruined. He went to see Mr. Eyanson two or three times, and talked with him about it. He said under oath that he was never able to see the Senator from Connecticut [Mr. BINGHAM], in whose State this industry has its seat, but he was compelled to talk with Mr. Eyanson, and could get nowhere with him; that he seemed to be absolutely closed against any argument that he could make. Well, it transpired that there was a rival company that wanted a reduction in the rates—these were the rates on fish—for which Mr. Cooley, who wanted a raise because he represented the association that was producing and packing the fish, testified. Now, Mr. Meisnest, who was in the employ of the Tariff Commission until the 15th day of May, and who had been one of the Government's experts appearing before the Committee on Ways and Means of the House, quit the employ of the Government, accepted a raise that gave him \$5,000 a year and his expenses, and went with this rival fish concern, the Atlantic Coast Fisheries, and commenced to prepare statements for them to get a reduction in duty that that company wanted.

The significant thing of that whole matter is this: That company, when it applied to the Committee on Ways and Means of the House, did not have a dollar invested in Canada; but later on they hired this Government expert, who was the source of information to the tariff committee affecting fish, and without waiting for the results that did come out of the Committee

on Finance—because they got what they asked for—they went to Canada and invested large sums of money in buying fish plants and trawlers in Canada. Later it got a reduction in rates that the other people said will put the American producer out of business. Whether that is true or not, I do not know. The other people then came to the Senator's office, because their business is located largely at Groton, Conn., and tried to see him; but, as Mr. Cooley says, "I could not, I could not get his ear. I could only see Mr. Eyanson, and Mr. Eyanson was closed against any information we tried to give to him. His mind was already made up in favor of the other side of the controversy."

Well, Mr. Meisnest—this expert who had been hired away from the Tariff Commission, and who, Cooley said, had told him that he could take the same set of figures and make them show a result on either side, now with the Atlantic Coast Fisheries—testified that he had spent possibly six weeks down here after he had gone to this fisheries company; and when asked what he was doing here said he was here to block Cooley, to keep Cooley from having the rates remain where they were or getting a raise in the rates. His company in the meantime had invested largely in Canada, and of course wanted a lower rate or no rates, and he was here to block Cooley's efforts to get a protective rate on fish; and when asked what he did to block Cooley he said, "I went to see Eyanson."

Here were men representing approximately \$20,000,000 of American investments, one wanting a protective rate and the other wanting a reduction, because they were either these owners of Canadian fish-producing and fish-manufacturing plants, or they expected shortly thereafter to acquire them, and wanted a reduction in rates; and both were obliged, hat in hand, to stand in the outer office and talk to this paid lobbyist of the Connecticut Manufacturers Association, one seeking protection and one opposing protection, and neither one of them able to get any information outside of this one paid lobbyist, who at the same time was on the pay roll of the Government of the United States!

Against that sort of a situation I think the Senate ought to take action; and I want to call the attention of the Senator who is the chairman of the Committee on Finance, and the Senator who is sitting next to him, the Senator from New Jersey [Mr. EDGE], that the evidence shows that it is believed that the Senator from Utah knew that this man was on the pay roll of the Connecticut Manufacturers Association.

The Senator from Connecticut says "he told the Senator from Utah that this man was the assistant to the president, and of course the Senator knew, therefore, that he was on its pay roll." I am merely calling attention to the situation. I do not go beyond that; but I do want to call attention to the fact that members of the Connecticut Manufacturers Association were receiving information alleged to have come out of the Finance Committee, quoting the Senator from Utah [Mr. SMOOT], the Senator from New Jersey [Mr. EDGE], and the Senator from Pennsylvania [Mr. REED], as being in favor of a rate of 30 per cent upon rough-bored gun barrels; that the Senator from Connecticut had opposed that rate, and considered that he had achieved a great victory because he kept the rate at 10 per cent instead of 30 per cent.

Mr. EDGE. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from New Jersey?

Mr. CARAWAY. I yield.

Mr. EDGE. Does the Senator really think it is worthy, or necessary in this argument, to discuss or to bring to the attention of the Senate, some rumor that somebody said something?

Mr. CARAWAY. It is not a rumor.

Mr. EDGE. As far as the Senator from New Jersey is concerned, his first knowledge of it was what he read in some newspaper.

Mr. CARAWAY. I am glad to hear it, because this is the reason why I am calling attention to it: I want to show the Senator that somebody down here, pretending to give information—and that somebody was the paid lobbyist of the Connecticut Manufacturers Association, and that somebody was on the pay roll of the Government—at the same time was at least pretending to give out valuable information, and, I am sure, doing the Senator from Utah and the Senator from New Jersey and the Senator from Pennsylvania a gross injustice. That is another reason why I want to call attention to it. I want to tell you, sir, that that is where that sort of thing leads. A man who is serving two masters, and reporting to both, does not hesitate to slander the good name of anybody to make himself appear to be worth the price that he receives for his services. That is why the attention of the Senate ought to be called to this record. It is entitled to know that that sort of peddling is being done.



Wuichet got that information from Eyanson, and the pity of it is that he was willing to be uncandid and go beyond that in order to protect that source of information. I know that because he did not know the name of another man on the Committee on Finance, and it could not be assumed he knew who made up the committee. Therefore, somebody told him that, and somebody told him what the rate was, and somebody gave out that information so that it might be peddled among the members of the Connecticut Manufacturers Association to show what a valuable aid the Connecticut Manufacturers Association had here in the office of a Senator, and part of the time on the pay roll, and attending the secret meetings of the Committee on Finance. The Senate and the country have a right to know those things.

There are other features about the matter I want to discuss just briefly. When Mr. Eyanson was here as a witness he said that when he was put on the pay roll, and the Senator from Connecticut corroborates it, that there was not one word said to him about why he was to go on the pay roll as a clerk; that the Senator from Connecticut said to Mr. Barry, who was the clerk of the Committee on Territories and Insular Possessions, "You take Mr. Eyanson over to the disbursing clerk's office and have him sworn in as a clerk." That not a word was said about what pay he was to get or what he was to do with it, and that he went over there, without a word of explanation and without asking for any information, and took the oath of office.

He did not know, although a man of great intelligence, what place he took. He said he was a clerk first to Senator BINGHAM, and then that he thought he was a clerk to Senator BINGHAM and something else, he did not know what; that he knew what the salary was, but not a word was said between him and Senator BINGHAM as to what was to be done with the salary. He said, "I assumed Senator BINGHAM knew that I would not take any salary from any other source than the Connecticut Manufacturers Association."

The time came, and he signed the pay roll and got his salary as a governmental clerk, and without saying a word gave this to the Senator from Connecticut, Senator BINGHAM. The Senator took it and put it in his pocket without a word. I do not think, however, there is any doubt but that he gave it to Mr. Barry, who had been a clerk of the Committee on Territorial and Insular Affairs.

The next time he was to draw his pay he asked the Senator what he should do with it, if he should give it to Mr. Barry, and was told "Yes." He did so, but not a word of explanation, not an inquiry, not a thing on God's earth but just this naked transaction took place, according to the sworn testimony of everybody involved.

Mr. Barry said he received the money without a question. He said, however, he did count it and put it in his pocket. He was not on the Government pay roll, he was not a Government employee, he was not on the pay roll of the Government as a clerk to this committee, as he had been formerly, or as the clerk of Senator BINGHAM. He was a rank outsider, taking the salary of somebody on the pay roll; and this man took the oath of office to go on the pay roll as a clerk to the committee I have just mentioned, of which the Senator from Connecticut is the chairman. He got the salary and gave half of it to the Senator from Connecticut, Senator BINGHAM, and the other half he gave to the former clerk of that committee. That is not all. Eyanson said, "I did not ask any questions and did not make any statement, because I assumed that Senator BINGHAM knew that I would not take a dollar from any other source." Mark you, when he went home he found a check in an envelope, without a line of explanation in it, for a thousand dollars, signed by the Senator from Connecticut, Senator BINGHAM. No explanation came with it; none has been forthcoming since.

Mr. Eyanson told the committee that he had kept the check all these months, with the expectation of returning it, because he did not want to cash it. But he felt as if it were a very delicate thing to return it by mail, and he wanted to return it personally.

The next morning he came back and said, "I do not know whether I shall return this check or shall cash it." There was some effort made to find out what had changed his mind overnight, why the day before he was positive that he would not cash it, and wanted an opportunity to return it personally, the next day saying that he did not know but that he might cash it. Something happened, although he denied it. What it was, I do not know.

Mr. Wuichet made this memorandum to which I called attention a few minutes ago, which cited the great struggle that took place in the committee between the Senator from Connecticut and the three Senators mentioned, as to whether the rate on rough-bored gun barrels should be 10 or 30 per cent. Where he got that information he had no knowledge; he could remember

everything else with distinctness, but from what source he obtained that important information his mind was a blank. He did not know anybody he could have gotten it from but Mr. Eyanson, but he did not get it from Mr. Eyanson, he said, because he had not seen him in a month.

One of the great misfortunes in the matter was that neither Mr. Eyanson nor Mr. Wuichet was candid. Neither can read his testimony without having a blush of shame come to his cheeks. I do not think it worried Mr. Meisnest at all that he fell into the same category. I think he felt entirely comfortable in that situation. But we are not through with it.

Just to show the situation here legislatively, as the public sees it, there appeared before the committee a representative of the beet-sugar growers' association, who said it was necessary to spend money to get legislation. His association in the last few years had expended for that purpose \$500,000. Then came the president of the Cuban cane-sugar people on the other side, saying that it was necessary down here, in order to keep from being wiped off the earth, to spend money. It had spent nearly \$100,000 since this tariff bill has been up. And then came from Pennsylvania Mr. Joe Grundy, who smiled through it all, apparently thinking that a badge of honor was conferred upon him when he was designated as the chief lobbyist of them all, saying that he raised money for political purposes from people largely interested in legislation, and then he came here to see that they got legislation that would give them their money back. He was proud to say that they had done so. He was a little apprehensive, however, whether those who put up money for the last election were going to get all they desired out of this legislation, and for that reason he had spent \$25,000 of his own money maintaining an expensive lobby here in Washington, to see that the Congress carried out what he called the "party pledge," and that these people got their money back for having financed the campaign to elect the present President of the United States.

I call attention to these disgraceful occurrences because I honestly think that something ought to be done to make impossible a recurrence of such happenings and to disabuse the minds of the public of the idea that legislation is to be had as special favors or purchased outright in the market like any other commodity.

Mr. WALSH of Montana. Mr. President, as indicative of the effectiveness of Mr. Eyanson, the report calls attention to the fact that of 52 of the leading products of the State of Connecticut, as they are listed in the census report, the report of the Finance Committee proposes raises over the rates in existing law in 44. With respect to seven, the rates are left as they are, and in the case of one the rate is reduced.

Detailed information in relation to that matter is furnished by this table or schedule which I hold in my hand. The figures are taken from the census returns, and the different industries are listed in the order of their aggregate production, starting with brass, bronze, and copper products, \$169,550,000, and going on down.

In the first column is given the amount of the domestic production of the product, in the second column is given the rate under the existing law, and in the third column is given the rate as proposed by the Senate Finance Committee. Other information is likewise given in the table.

I ask that the table be printed in the RECORD.

The VICE PRESIDENT. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Connecticut—What the tariff gives her manufacturers, to be added to their prices if they can*

On 72 per cent of their products, definitely figured below—	\$278, 000, 000
On all, if the other 28 per cent is given proportionate protection—	386, 000, 000
Cost to consumers, at retail, if added to prices:	
On 72 per cent, as above, present tariff—	556, 000, 000
On Connecticut's total manufactures—	772, 000, 000
Senate bill:	
Allowance to manufacturers—	439, 000, 000
Costing consumers—	878, 000, 000

Whether added to prices or not, the responsibility of Congress is the same in voting these sums.

President Hubbard, Connecticut Manufacturers Association, to his assistant, Mr. Eyanson, salary \$10,000, "You have done a great deal more than we ever bargained for." Senator BINGHAM secured Eyanson's presence in the Senate Finance Committee's secret sessions, etc., with a second concurrent salary from the Government for tariff services. The Senate rate increases, Eyanson assisting, total \$53,000,000, costing consumers \$106,000,000.

Presented by—

FAIR TARIFF LEAGUE,  
H. E. MILES, Chairman.  
E. F. LUDWIG, Statistician.



Connecticut—What the tariff does for her manufacturers

Order of magnitude	Industry	Number of establishments	Domestic production	Tariff ad valorem equivalents		Protection to manufacturers		Cost to consumers	
			Census 1919	Act 1922	Senate bill	Act 1922	Senate bill	Act 1922	Senate bill
				Per cent	Per cent				
1	Brass, bronze, and copper products.....	75	\$169,550,000	38.5	42.8	\$47,000,000	\$52,000,000	\$94,000,000	\$104,000,000
2	Cotton goods.....	47	101,551,000	34.4	44.1	26,000,000	33,000,000	52,000,000	66,000,000
3	Foundry and machine-shop products.....	250	78,893,000	35.0	40.0	20,000,000	23,000,000	40,000,000	46,000,000
4	Silk goods.....	41	68,053,000	55.9	62.2	24,000,000	27,000,000	48,000,000	54,000,000
5	Hardware, iron and steel (except saddlery).....	64	61,751,000	60.4	63.3	23,000,000	24,000,000	46,000,000	48,000,000
6	Electrical machinery, apparatus, and supplies:								
	Lamps, incandescent.....		150,000	20.0	48.4	30,000	60,000	60,000	100,000
	Other electrical machinery, etc.....		51,761,000	31.2	30.1	+12,000,000	-12,000,000	24,000,000	24,000,000
	Total.....	54	51,911,000			+12,000,000	12,000,000	24,000,000	24,000,000
7	Ammunition (cartridges).....	3	39,997,000	30.0	30.0	9,000,000	9,000,000	18,000,000	18,000,000
8	Rubber tires, tubes, and manufactures, n. e. s.....	21	33,928,000	27.7	27.7	7,000,000	7,000,000	14,000,000	14,000,000
9	Woolen goods.....	35	32,357,000	51.9	69.4	11,000,000	15,000,000	22,000,000	30,000,000
10	Hats, fur-felt.....	41	23,152,000	56.2	60.1	8,000,000	9,000,000	16,000,000	18,000,000
11	Plated ware.....	26	22,662,000	48.9	53.9	7,000,000	8,000,000	14,000,000	16,000,000
12	Boots and shoes, rubber.....	5	22,451,000	25.0	25.0	4,000,000	4,000,000	8,000,000	8,000,000
13	Corsets, brassières, girdles, etc.....	19	20,675,000	49.5	67.0	7,000,000	9,000,000	14,000,000	18,000,000
14	Worsted goods.....	9	18,928,000	51.9	69.4	6,000,000	9,000,000	12,000,000	18,000,000
15	Machine tools.....	33	18,435,000	30.0	30.0	4,000,000	4,000,000	8,000,000	8,000,000
16	Steam fittings, and steam and hot-water apparatus.....	11	17,401,000	32.5	35.0	4,000,000	5,000,000	8,000,000	10,000,000
17	Bread and other bakery products:								
	Bread (yeast-leavened).....		8,556,000	Free.	Free.	0	0	0	0
	Other products.....		8,556,000	30.0	30.0	2,000,000	2,000,000	4,000,000	4,000,000
	Total.....	494	17,112,000			2,000,000	2,000,000	4,000,000	4,000,000
18	Suspenders, garters, etc.....	15	16,966,000	53.5	53.6	6,000,000	+6,000,000	12,000,000	+12,000,000
19	Typewriters and parts.....	5	16,961,000	Free.	Free.	0	0	0	0
20	Firearms.....	9	15,929,000	73.9	82.5	7,000,000	8,000,000	14,000,000	16,000,000
21	Needles, pins, hooks and eyes, etc.....	23	13,904,000	48.1	58.1	4,500,000	5,000,000	9,000,000	10,000,000
22	Iron and steel forgings, not made in mills, etc.....	18	13,683,000	37.3	44.2	4,000,000	+4,000,000	8,000,000	+8,000,000
23	Paper and wood pulp (pulp free).....	44	12,939,000	33.0	36.1	3,000,000	3,500,000	6,000,000	7,000,000
24	Tools, n. e. s.....	70	12,916,000	46.3	49.1	4,000,000	+4,000,000	8,000,000	+8,000,000
25	Clocks.....	8	12,904,000	70.0	98.9	5,000,000	8,000,000	10,000,000	16,000,000
26	Ordnance and accessories.....	4	11,667,000	40.0	45.0	3,000,000	4,000,000	6,000,000	8,000,000
27	Iron and steel: Steel works and rolling mills.....	7	9,583,000	22.4	25.3	2,000,000	2,000,000	4,000,000	4,000,000
28	Knit goods:								
	Gloves <sup>1</sup> .....		280,000	69.8	32.4	100,000	50,000	200,000	100,000
	Other knit goods.....		9,053,000	58.6	59.5	3,000,000	3,000,000	6,000,000	6,000,000
	Total.....	21	9,333,000			3,000,000	3,000,000	6,000,000	6,000,000
29	Wire.....	7	9,083,000	26.2	26.9	2,000,000	2,000,000	4,000,000	4,000,000
30	Cutlery and edge tools:								
	Cutlery <sup>1</sup> .....		7,931,000	107.6	115.5	4,000,000	+4,000,000	8,000,000	+8,000,000
	Edge tools.....		881,000	30.1	30.2	200,000	200,000	400,000	400,000
	Total.....	37	8,812,000			4,000,000	4,000,000	8,000,000	8,000,000
37	Stamped and enameled ware, n. e. s.....	26	7,423,000	41.7	41.7	2,000,000	2,000,000	4,000,000	4,000,000
38	Engines, steam, gas, and water (except locomotives).....	16	7,309,000	20.3	22.1	1,000,000	1,000,000	2,000,000	2,000,000
39	Screws, wood.....	5	6,390,000	25.0	45.0	1,000,000	2,000,000	2,000,000	4,000,000
42	Hardware, saddlery.....	4	5,400,000	48.0	48.0	2,000,000	2,000,000	4,000,000	4,000,000
45	Sewing machines and parts.....	3	5,248,000	18.6	18.6	1,000,000	1,000,000	2,000,000	2,000,000
51	Musical instruments: Piano and organ materials.....	6	4,267,000	40.0	45.0	1,000,000	+1,000,000	2,000,000	+2,000,000
52	Springs, steel, car and carriage, not made in steel works, etc.....	5	3,955,000	40.0	45.0	1,000,000	+1,000,000	2,000,000	+2,000,000
	Total 37 industries (72.1 per cent of total production in State).....		1,003,479,000	27.7	31.6	278,000,000	316,000,000	556,000,000	632,000,000
	Other industries.....		388,953,000	27.7	31.6	108,000,000	123,000,000	216,000,000	246,000,000
	Grand total industries, Connecticut.....		1,392,432,000	27.7	31.6	386,000,000	439,000,000	772,000,000	878,000,000

<sup>1</sup> Not separately stated for State, but estimated in proportion to importance in national production.

Mr. HARRISON. Mr. President, I want to say to the Senator from Montana that I hope he will have schedules for Pennsylvania and New Jersey prepared, and have them put in the RECORD.

Mr. CARAWAY. Mr. President, I desire to offer the resolution to which attention was called in the report.

The VICE PRESIDENT. Is there objection to the presentation of the resolution? The Chair hears none.

Mr. CARAWAY. I ask unanimous consent for the immediate consideration of the resolution.

The resolution (S. Res. 142) was read, considered by unanimous consent, and agreed to, as follows:

Whereas it appears by the testimony of J. E. Wuichet before the subcommittee of the Committee on the Judiciary, appointed pursuant to Senate Resolution 20, Seventy-first Congress, first session, that the said J. E. Wuichet is a dollar-a-year man of the Department of Commerce, and that having taken the usual official oath as an officer and employee of the Government, at the salary mentioned, he is at the same time foreign-trade secretary of the Manufacturers Association

of Connecticut (Inc.), by which he is paid a salary of \$3,000 per annum, and that the work done by him as such official or employee of the Department of Commerce is substantially the same as or intimately related to a portion of his work as such foreign-trade secretary of said association: Therefore be it

Resolved, That the Secretary of Commerce be, and he hereby is, directed to transmit to the Senate a list of such officers or employees of the Department of Commerce receiving a salary of \$1 per annum or other sum as are at the same time regularly employed by individuals or associations in their private business or engaged in such.

The preamble was agreed to.

Mr. WALSH of Montana. Mr. President, I desire to remark briefly, with respect to this matter, that it will be recalled that back in 1917 Congress passed an act to do away with the dollar-a-year man.

Attention was called to the subject by the then Senator from the State of Oregon, Senator George Chamberlain. He made a rather elaborate presentation of the situation, which called for action by the Congress. He had in mind particularly the con-

ditions existing in the Bureau of Education, and disclosed that a large number of persons were on the roll of the Bureau of Education, and, as such, enjoying the franking privilege, and that so enjoying the franking privilege, they issued bulletins which were circulated through the country. They received from the Government salaries of a dollar a year, and also received salaries from various organizations, I think the Carnegie Foundation, the Rockefeller Foundation, and other organizations of that kind.

In the course of the consideration of the measure, which, as introduced by Senator Chamberlain was addressed only to the Bureau of Education, it was amended upon the motion of the Senator from California, Mr. Works, to embrace all departments of the Government, and it was thus made a penal offense for any person in the employ of the Government, and receiving a salary from the Government, to take at the same time a further salary from any person or organization. It was likewise made a penal offense for any person or corporation to give an additional salary to one thus in the employ of the Government.

Mr. COUZENS. Mr. President—

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Michigan?

Mr. WALSH of Montana. I yield.

Mr. COUZENS. I understood the Senator to say it is a penal offense to receive a salary in addition to the Government salary. Is that not entirely restricted to a salary for Government work rather than outside work?

Mr. WALSH of Montana. Oh, yes. The statute expressly provides that it must be for the same work.

Mr. COUZENS. That is what I understood.

Mr. WALSH of Montana. Oh, certainly. If one in the employ of the Government outside of his hours takes employment for some entirely different work, he does not offend against the statute at all. The salary must be paid for the same work as he is required to do under his official employment.

The witness Wuichet was not at all hesitant about it. He told the committee that he was a dollar-a-year man in the Department of Commerce and as such he gathered information in the city of Hartford, Conn., and vicinity and transmitted it to the Department of Commerce, and in the same way he got information from the Department of Commerce, which he disseminated in that locality to anyone who might be interested in it. It would appear, Mr. President, that he falls entirely within the condemnation of the statute as to those who apparently offend. However it may be, I think it manifestly advisable to have the information asked for by the resolution, namely, a list of those similarly situated and who are apparently in defiance of the statute.

Mr. GILLETT. Mr. President—

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Massachusetts?

Mr. WALSH of Montana. I yield.

Mr. GILLETT. When was the statute enacted?

Mr. WALSH of Montana. In 1917.

Mr. EDGE. Mr. President—

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from New Jersey?

Mr. WALSH of Montana. I yield.

Mr. EDGE. I want to address a question to the Senator from Montana on the subject of the tariff tabulation which he presented to the Senate a few moments ago. He read two or three of the column references, but I do not think he completed them. As I understand the table, it presents the difference in rates under the existing law and the rates as provided in the report of the Senate Finance Committee.

Mr. WALSH of Montana. Yes.

Mr. EDGE. I am wondering if he has also subdivided the rates appearing in the bill as passed by the House of Representatives and then as reported by the Senate Finance Committee. I only inquire for the reason that the Senator from Mississippi [Mr. HARRISON] injected the suggestion that it might be interesting to have included the industries located in the great States of New Jersey and Pennsylvania—that is, showing the effect of the proposed tariff upon the industries in those States. I can make the blanket statement without going into detail, which is absolutely confirmed by reports from the Tariff Commission, that so far as the work of the majority members of the Senate Finance Committee is concerned the general average of rates in the bill as passed by the House of Representatives so far as it refers to industrial activities was considerably reduced by the Senate committee. That, of course,

is a matter of record, and all the Senate Finance Committee can be charged with is what they have actually done. Conversely the agricultural schedule, as nearly as I can figure it out, was quite considerably increased.

Mr. WALSH of Montana. The table does not give the information referred to by the Senator from New Jersey. It does not give the rates proposed in the House bill. I dare say the truth is that with respect to the industrial rates the Senate Finance Committee generally speaking, although there are exceptions, did not exhibit such total disregard of the interests of the consumer as is manifested in the House bill. Generally speaking, the Senate Finance Committee made reductions. But that is not pertinent to the matter to which the tabulation introduced by me is now addressed. It was for the purpose of showing how effective Mr. Eyanson had been here in connection with the work of the Finance Committee.

Mr. EDGE. I again remind the Senator from Montana that I only introduce myself into the picture because of the suggestion made by the Senator from Mississippi.

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRATTON:

A bill (S. 1956) granting a pension to Mrs. Julian Martinez; to the Committee on Pensions.

By Mr. MOSES:

A bill (S. 1957) granting a pension to Ellen L. Bickford (with accompanying papers); to the Committee on Pensions.

By Mr. OVERMAN:

A bill (S. 1958) granting an increase of pension to Willie G. Johnson; to the Committee on Pensions.

#### AMENDMENTS TO THE TARIFF BILL

Mr. HAYDEN submitted three amendments intended to be proposed by him to House bill 2667, the tariff revision bill, which were ordered to lie on the table and to be printed.

#### REVISION OF THE TARIFF

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 2667) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Massachusetts [Mr. GILLETT].

Mr. SMOOT. Mr. President, I ask unanimous consent that when the Senate concludes its business to-day it take a recess until 10 o'clock Monday morning.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. GEORGE. Mr. President, apropos of the suggestion made by the Senator from New Jersey [Mr. EDGE] that the industrial rates have been very greatly reduced by the Senate Finance Committee, I think it pertinent to call attention to the facts at this point. For instance, taking all of the changes of rates in Schedule 9 there is a slight reduction under the average rates in the House bill, but the reduction is due entirely to the change made in paragraph 915 of the cotton schedule, the paragraph relating to gloves and mittens being reduced from 60 per cent to 30 per cent ad valorem on the articles covered in that paragraph. Restore that one rate in the cotton schedule to the rate fixed in the House bill, and the combined rates reported by the Senate Finance Committee would greatly exceed the average rate in the House bill. The one reduction in this particular schedule that brings the average rate under the average rate of the House bill is found in this one paragraph upon the item of gloves and mittens, and without that reduction the rates on cotton textiles as fixed by the Senate Finance Committee would be far in excess of the rates in the House bill.

Then when we go into other schedules there will be found substantially the same thing. A tremendous reduction in the average rate is worked by reducing the duty on automobiles from 25 per cent to 10 per cent, when, as a matter of fact, no automobiles of moment are being brought in, when, as a matter of fact, no duty whatsoever on automobiles is necessary even in the opinion of the automobile manufacturers except as a defensive measure against possible importations in the future when Germany or other producing countries might be in position to work havoc in the American market.



Mr. HOWELL. Mr. President—

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Nebraska?

Mr. GEORGE. I yield.

Mr. HOWELL. I wish to ask the Senator if he can give the reason why the rates on cotton gloves and other cotton manufacturers were reduced that amount? Was it because the higher rate would be ineffective?

Mr. GEORGE. I would not be able to answer that by simple affirmative or negative statement at this time. Partially, I think, that is true.

Mr. President, what I rose to say is that as a matter of fact the shadow of the Connecticut Manufacturers Association is across every schedule in the bill. It will grow larger as the days go by. The tariff in politics! The tariff in copartnership with business! If we persist in the policy that has been inaugurated, that is approved, that is even acclaimed in many quarters in this country, we may grow exceedingly rich; but it is worth while to ask whether it will profit a nation to gather all the wealth of the world and lose its soul in a drive for material gain. It is bad enough to have politics in tariff making, but it is infinitely worse when there is formed a copartnership between business and the tariff. The American people do not seem to grasp fully just what the facts brought out by the investigating committee portend. It has been testified before the committee, as I understand it, that since the last tariff act those interested in beet sugar—and beet sugar should be protected—have found and believe it to be necessary to collect and expend over a half million dollars—in order to do what? In order to get what they believed to be their rights. On the other hand, one firm, or the representative of one firm of Cuban sugar producers, testified before the committee, as I understand it, that \$95,000 had been collected and I believe \$75,000 expended since the present tariff was taken under consideration—for what purpose? For the purpose of asserting what that representative believed to be the legitimate rights of the Cuban growers. Five hundred thousand dollars by our own domestic producers collected and expended since the last tariff act was under consideration in the Congress, \$95,000 collected or pledged, and \$75,000 expended by an opposing interest, all for the purpose of obtaining what is believed to be the legitimate rights of industry.

The question I ask is, If it be necessary to spend such sums of money to obtain at the hands of the Congress just consideration of the claims of industries, what will happen to the little industry that can not raise and spend the money? What will happen to the farmer, to the little manufacturing enterprises in the villages, in the towns, and in the cities? What will happen to the small producer? Obviously these sugar interests think that their rights will not be protected or else they would not have collected and expended such large sums of money for the protection of what they regard as their legitimate rights.

I say, again, that the shadow of the Manufacturers Association of Connecticut is across every paragraph in the bill.

Mr. WATSON. Mr. President, let me ask the Senator just what he means by that statement?

Mr. GEORGE. I mean what I tried to convey in the beginning, that every schedule and every paragraph is placed under suspicion by the developments in the investigation to which I have referred, by the fact that the representative of the Manufacturers Association of the State of Connecticut was permitted not merely to advise a member of the Finance Committee but to sit in the Finance Committee at least during a portion of the time the bill was under consideration.

I do not charge that this association actually influenced every rate in the bill or influenced any particular rate in the bill, but the shadow is across every schedule and every paragraph, and I again assert that that shadow will grow darker and larger the longer the bill is before the Senate and the country.

Mr. WATSON. Mr. President—

The VICE PRESIDENT. Does the Senator from Georgia yield further to the Senator from Indiana?

Mr. GEORGE. I yield.

Mr. WATSON. If the Senator will permit me, I desire to say I assume that the members of the committee did not even know that Mr. Eyanson was in the committee room.

Mr. GEORGE. I myself assume that, Mr. President.

Mr. WATSON. I know that I did not, although I was there every day at every meeting. I saw many experts there, but I did not know that Eyanson was there. I do not suppose that

he ever talked to a single member of the committee about rates in any of the schedules. He certainly never talked to me. I have spoken to the other members of the committee, and he never discussed such matters with them. Of course, my friends know one may talk a thing up or talk a thing down, and it is easy enough to spread a shadow if one exists. I am not condoning the present situation, but I am saying that when it came to the rates in the industrial schedules the members of the committee undertook with the knowledge they had and with all they could acquire, in every instance, to measure the rates that should be imposed by the theory of protection. That is what we undertook to do.

Mr. GEORGE. Mr. President, I do not question that at all; I do not question the statement of the Senator from Indiana that he did not know or had not the slightest intimation that Mr. Eyanson was in the committee room; and I think that might be said of every other member of the committee, so far as that is concerned; yet that does not change the fact. Senators know very well whenever an expert is called in and furnishes information, how easy it is for that information to be favorable or unfavorable to any given rate.

Mr. BLAINE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Wisconsin?

Mr. GEORGE. Let me first complete the statement. Before this bill shall have been finally completed, I think it will be very conclusively shown that where a Connecticut industry, for instance, wanted cheap raw materials, at least that side of the case was presented with such force as to get a reduction in the rate of duty on that particular material. Now I yield to the Senator from Wisconsin.

Mr. BLAINE. Mr. President, right in this connection—and it is very material to the discussion of the Senator from Georgia—I want to call his attention to the fact that Mr. Grundy, who enjoys the characterization that has been given him, in his testimony disclosed what I think is the most ugly situation of this whole affair. He was perfectly frank in acknowledging that he collected hundreds of thousands of dollars as a campaign fund. Not only that, but he was perfectly frank in admitting that something was expected in return for those contributions; in fact, going so far almost as to assert a contract or, at least, an implied contract, that the successful party must return dividends on that investment, and that he was interested, as the head of the lobbyists, in coming down here to insist upon the fulfillment of that contract.

The money was invested in politics; those who invested it were determined to receive dividends from it, and he asserted, with a good deal of emphasis that it was too bad there were not a hundred Eyansons who could come down here to assist in demanding that the political contract entered into, involving campaign contributions, be carried out.

I think that is very material in connection with Mr. Eyanson's position before the committee, as it relates to the whole problem of influencing legislation through political contact, and that the political contact of a large campaign contribution. Therein lies, in my opinion, one of the dark shadows that have been cast over our Nation.

Mr. WATSON. Mr. President, will the Senator from Georgia kindly yield to me?

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Indiana?

Mr. GEORGE. I yield to the Senator from Indiana.

Mr. WATSON. Mr. President, I might agree, at least partially, with my friend from Wisconsin if he could show a concrete instance where Mr. Grundy influenced with respect to a solitary rate in this bill any member of the committee with whom he talked, or whose views he changed on any proposition.

He was here seeking to have the American valuation adopted as the basis of valuation. He was in my office; he came there, I think, two or three times and discussed the question of the adoption of the American valuation plan. He argued at some length. I was not for American valuation and never had been, and we argued that question out. I went over the discussion in connection with the enactment of the tariff law of 1922 to show how we had considered the question for weeks and demonstrated that we could not have American valuation in the United States. That was the subject under discussion.

If he influenced anybody on the Finance Committee, if he undertook to influence anyone as to any rate I never heard about it; no Senator ever suggested such a thing. There never was anybody at any time who said, "I talked to Mr.

Grundy and he would like to have this particular rate or that particular rate." All this talk about Grundy or other men being about here and actually influencing members of the committee or other Senators is something that I do not know anything about.

Grundy was not in my room nearly so many times as was the representative of the agricultural interests, who came there, as he had a perfect right to come, and talked with me. Sometimes I agreed with him and sometimes I did not; but my doors were open to all who wanted to talk to me about the tariff. I thought they had a right to come. But to say that every person who came and talked to a Senator influenced him or changed his views with regard to the rates which should be imposed is, of course, as my friend knows, entirely wide of the mark.

Unless some one can show that Mr. Grundy or Mr. Anybody Else who came here and who was charged with being a lobbyist actually influenced some Senator to change his mind as to a rate, then I think the talk is wide of the mark. That is my view about it.

Mr. BLAINE. Mr. President, with the indulgence of the Senator from Georgia, I am perfectly frank in suggesting to the Senator from Indiana, who has had thirty-some-odd years of legislative experience, and has gone through many tariff contests, that the matters to which he refers as to the methods that are used in influencing Members are not what I have in mind. It is done in another way, and he knows what that way is. He knows that an obligation is assumed by these interests to have been placed upon the party. It is not the conversion of a single Member; it is the system; and that system operates not so much upon an individual's mind, either that of the Senator from Indiana or that of any other Senator, but presupposes an obligation that becomes a party obligation because of a contract that was made by way of campaign contributions, and the demand is that there be a return in dividends upon that political investment.

Mr. BORAH. Mr. President—

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Idaho?

Mr. GEORGE. I yield.

Mr. BORAH. Mr. President, far be it from me to suggest that a man of Grundy's character and characteristics and uncandidness could have any influence upon an individual Senator; but this did happen: Between the time that a special session was mentioned last fall in the campaign and the time that we came here in special session the same interests that Mr. Grundy represents began their fight to have this special session extended to taking in all the industrial schedules. I venture to say had it not been for their persistent influence here and elsewhere that we would have legislated in accordance with the original plan for the special session and not in accordance with the influence exerted by industrial interests.

Mr. GEORGE. Mr. President, I say that—

Mr. NORRIS. Mr. President—

Mr. GEORGE. I shall conclude in just a moment.

Mr. NORRIS. Very well; I will not now interrupt the Senator.

Mr. GEORGE. Mr. President, I did not intend, I want again to assure the Senator from Indiana, to intimate or suggest that any individual Senator on the Finance Committee was influenced by the presence of Mr. Elyanson or by propaganda, but I rose to ask this question: If it were necessary for the Manufacturers Association of Connecticut to have a dollar-a-year man in the Department of Commerce, supplementing or paying the salary of that man two years before this tariff bill was taken up, and if it were necessary for the Connecticut Manufacturers Association to have a special representative here, either at the request of a Senator or on its own initiative, what is to become of the industry in this country that has not that standing at court? If it be necessary for the beet-sugar people to collect and spend \$500,000 since the passage of the present tariff law to this time, and for one firm of producers of cane sugar in Cuba to collect \$95,000 and expend \$75,000 of it, what is to become of small industries, of the farmers, of the little producers in village, town, country crossroads, and in the cities throughout America who could not get a dollar-a-year man in the Department of Commerce if they tried for a thousand years, and who all together would not be able to raise \$500,000, nor \$95,000, nor any other such sum?

I do not say that it was necessary for these people and these interests to collect and expend that money; I am perfectly aware that most of it is foolishly collected and foolishly spent;

but the point I make is that if they are at all right, is it not perfectly obvious that we can never have a just tariff system so long as such things are permitted or tolerated or condoned in any degree?

More than that, it is bad enough to have the tariff in politics, but, I want to repeat, it is infinitely worse to have it in copartnership with special interests, with American business, good, bad, and indifferent, with the money bribe hanging before the face of those interests if they can get written in the bill the rates which they want. It seems to be the burden of thought on the part of many corporations that we are a great and powerful people, immeasurably rich, putting all the emphasis upon the crassest materialism that any great people ever tolerated in its public policies.

See what has happened! Business knows how it is done. They can well afford to have a dollar-a-year man at the very source of all the information on which the Senator from Indiana and myself, as members of the Finance Committee, are compelled to act when we write a tariff; and they can well afford to have a representative in the office of any Senator who will permit that representative to come and sit in his office.

I have had the highest respect and have the warmest personal regard for the distinguished Senator from Connecticut. My remarks are entirely impersonal; but I say that it is a tragedy which challenges the course we are following when we induce and promote the copartnership between business and Government, and allow business to control Government; and I point to the tragedy with regret. The agent and representative and vice president, I believe, of the Connecticut Manufacturers Association sat in the office of a Senator and entered the Senate Finance Committee through the office of a Senator who rightly represents the very intelligentsia of the country, whose honored name has appeared upon the faculty of three great American universities.

Mr. DILL. Mr. President, will the Senator yield?

Mr. GEORGE. I yield to the Senator.

Mr. DILL. Has the Senator arrived in his own mind at any conclusion as to what action should be taken in regard to this matter?

Mr. GEORGE. I have not, Mr. President. I am thinking of the tariff bill. If I had the responsibility of tariff legislation, I frankly say that I should be disposed to lay aside every schedule of the bill except the agricultural schedule and say, "This we have pledged to do, and in good faith we will do it."

Again and again, industry will suffer because of the things to which I have directed attention before this bill is finally completed. Again and again industry will get rates that it ought not to get because the information upon which we act, all the while in good faith, has been so colored at its very source that we are not able to arrive at a just and a fair conclusion.

I do not impugn any man's motives. I do not believe for a moment that the Senator from Connecticut had any improper motive; but what are the consequences? What are the results? What is the fruit of the system under which we write tariffs?

Shortly after I came into the Senate, I remember a distinguished Senator, now dead, the late Senator Nelson, of Minnesota, repeating on one occasion a statement that he had made during the consideration of the Fordney-McCumber Tariff Act. He said that the great industries of this country came down to Washington with their schedules in their little satchels and got what they wanted.

Accept my word for it or not, the American people now have the concrete case of a Connecticut manufacturers' representative sitting in the Department of Commerce for two years past, gathering the statistics upon which a tariff must be made, working for a dollar a year so far as the Government is concerned, and the other concrete case of the representative of that association sitting in the office of a Senator, attending public hearings before the subcommittee, and then going—but without the knowledge or consent, be it said to their credit, of the chairman and other members of that committee—into the executive sessions of the Finance Committee.

I am talking about the facts, with no purpose of casting reflection upon any man personally. These are the facts, and these things are the legitimate outgrowth of the system of the copartnership between Government and business, driving, driving, driving to obtain a rate which will put money into its treasury.

So far as Mr. Grundy is concerned, he honestly believes in the high-protective theory carried to the nth power; and he believes it entirely legitimate to come down here and to urge



his views, and so it is, and nobody disputes it; but when he happens to have been the man who was responsible for the collection of something over \$600,000 in his State, and who had much to do with the collection of a million dollars in his State which was expended in the last campaign for the election of the President of the United States and of such Members of the House and Senate as were up for election in 1928, then his presence in the gallery, his constant presence in the committee room, his constant pressure upon men of his party as well as the men of other parties, becomes an altogether different thing. But so far have we gone that many respectable newspapers in the country do not boldly defend but they extenuate and excuse everything in connection with Mr. Grundy's appearance in Washington during the pendency of this entire tariff bill.

Mr. LA FOLLETTE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Wisconsin?

Mr. GEORGE. I yield to the Senator, but I am ready to yield the floor.

Mr. LA FOLLETTE. I hope the Senator from Georgia will indicate that there were certain exceptions of Senators who were candidates in 1928 upon the Republican ticket in so far as Mr. Grundy or any other regular Republican campaign contributions were concerned.

Mr. GEORGE. I am satisfied that that is true. On the contrary, I think Mr. Grundy, whether he did or not, would have been quite willing to raise a million or so dollars to defeat some Senators on the other side of this aisle who were candidates in the last election.

Before I take my seat let me say that if this bill does not result in the further tightening of the strangle hold of industry upon the throat of the common man in America it will be because there are some men on the other side of the aisle who have the courage to take their political lives in their hands again and again and make a fight not only for the farmer but for the general consumer; and by far the greater credit for whatever we may hope to do in this legislation will lie with those courageous Senators on the other side of the aisle who will not bow down to party and who will not strengthen the strangle hold of powerful industry upon the throat of the common man, the consumer, the farmer, the small producer, even in the ranks of the manufacturers themselves.

Mr. President, I had not thought to say anything this morning; but I am deeply impressed, whatever is done with this tariff legislation, that this bill is likely to remain what, indeed, it is—a badge of dishonor and shame—unless some of us here and some of those on the other side of the aisle can write out of this bill the rates that have been further advanced in behalf of industry when there was, perhaps, less excuse for increasing the measure of protection given to general industry than ever before in our history.

The PRESIDENT pro tempore. The question is on the amendment proposed by the Senator from Massachusetts [Mr. GILLETT].

SEVERAL SENATORS. Let it be stated.

The PRESIDENT pro tempore. The amendment will be stated.

THE LEGISLATIVE CLERK. On page 28, strike out all after line 7 down to and including line 2, page 29, and insert:

(1) When in tubes, jars, cakes, pans, or other forms, not exceeding 1½ pounds net weight each, and valued at less than 20 cents per dozen pieces, 1½ cents each per jar or tube; 1 cent each per cake, pan, or other forms; when assembled in paint sets, kits, or color outfits, with or without brushes, water pans, outline drawings, stencils, or other articles, in addition to the rates provided above, 20 per cent ad valorem on the value as assembled.

(2) When in tubes, jars, cakes, pans, or other forms, valued at 20 cents or more per dozen pieces, and not exceeding 1½ pounds net weight each, 2 cents each per tube or jar and 40 per cent ad valorem; in cakes, pans, or other forms, 1½ cents each and 40 per cent ad valorem; when assembled in paint sets, kits, or color outfits with or without brushes, water pans, outline drawings, stencils, or other articles, 70 per cent ad valorem on the value as assembled: *Provided*, That the words "assembled" or "assembly" when used in this paragraph shall mean the identical form, container, and assortment of merchandise customarily and generally sold to the ultimate consumer or user. When imported in any other form, container, or assembly, the container and the contents shall pay duty as if imported separately.

(3) In bulk, or any form exceeding 1½ pounds net weight each, 12 cents per ounce.

Mr. KING. Mr. President, may I ask the Senator from Massachusetts, whose amendment is now pending, whether his amendment is the same that was offered by one of the domestic producers, as found on page 276 of the Senate committee hearings? In other words, is it not an amendment in conformity with the wishes of a number of domestic manufacturers who were intent upon increasing the tariff upon these pigments used in the schools and by the school children, 15,000,000 of them, to the extent of 100 per cent—from 100 to 207 per cent?

Mr. GILLETT. Oh, no. The amendment is in the interest of the manufacturers who make these cakes. Whether or not it is the same amendment that was introduced in the hearings, I do not know. I presume it is.

Mr. KING. As I followed it, I think it is the same as an amendment which they suggested to the Senate committee, and probably to the House committee—

Mr. GILLETT. It probably is the same.

Mr. KING. The result of which, if accepted, would be to increase the rates 207 per cent on some of these commodities.

Mr. GILLETT. Oh, no; it would not increase them so much as that. It increases them from 40 per cent to about 100 per cent. I explained it very fully last evening, and while I presume many Senators are in the Chamber now who were not here then, I do not think I ought to take the time to repeat the argument.

Mr. COPELAND. Mr. President, I would like to have the attention of the chairman of the Committee on Finance. Am I to understand that under the amendment suggested by the committee the rate charged would be identical with the rate in the present law?

Mr. SMOOT. The rate in the committee amendment is exactly the same as that in existing law.

Mr. COPELAND. What does the Senator from Utah think would be the effect of the amendment offered by the Senator from Massachusetts? Would it increase materially the rate upon these articles?

Mr. SMOOT. The House provision, as well as the amendment offered by the Senator from Massachusetts, would increase the rate by inserting a specific duty, as the Senator will see. The amount of the specific duty provided for in the House text and the amendment of the Senator from Massachusetts represents the increase over the rate in existing law.

Mr. KING. Mr. President, it seems to me that the recommendations of the Finance Committee are so much wiser and more moderate that we should accept them in preference to the amendment which has been offered by the Senator from Massachusetts. I am willing to take a vote upon the amendment offered by the Senator from Massachusetts, believing that we ought to vote down his amendment; and, for the moment, at least, stand by the Finance Committee.

Mr. SMOOT. I understood the Senator from New York [Mr. COPELAND] wishes to make some remarks on the pending amendment.

Mr. KING. I beg the Senator's pardon.

Mr. COPELAND. As far as I am concerned, Mr. President, I share the view of the junior Senator from Utah. I should feel called upon, in conscience, to do everything I could to defeat the proposal of the Senator from Massachusetts. In my judgment, the multitudes of young artists and old artists, in fact, all artists, those who are called upon to make use of these colors, will be satisfied if the law is left as it is. So I am willing to have a vote taken on the amendment offered by the Senator from Massachusetts, and if that is defeated I shall interpose no objection to the acceptance of the committee amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Massachusetts [Mr. GILLETT].

Mr. GILLETT. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

The PRESIDENT pro tempore (when Mr. HALE's name was called). The Chair wishes to announce the absence of the senior Senator from Maine [Mr. HALE] on account of illness and will ask that this announcement may stand for the day.

Mr. KING (when his name was called). I have a general pair with the junior Senator from New Hampshire [Mr. KEYES]. I transfer that pair to the senior Senator from Nevada [Mr. PITTMAN] and vote "nay."

Mr. McKELLAR (when his name was called). I have a pair with the junior Senator from Delaware [Mr. TOWNSEND], which I transfer to the senior Senator from Minnesota [Mr. SHIPSTEAD] and vote "nay."

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. In his absence I withhold my vote.

Mr. SIMMONS (when his name was called). I transfer my pair with the junior Senator from Ohio [Mr. BURTON] to the senior Senator from Arkansas [Mr. ROBINSON] and vote "nay."

Mr. SWANSON (when his name was called). I have a pair with the senior Senator from Maine [Mr. HALE], which I transfer to my colleague [Mr. GLASS] and vote "nay."

Mr. TYDINGS (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. METCALF], who is ill. If he were present and I were permitted to vote, I should vote "nay," and he would vote "yea."

The roll call was concluded.

Mr. BINGHAM (after having voted in the affirmative). I have a general pair with the junior Senator from Virginia [Mr. GLASS], but in view of the statement made by the senior Senator from Virginia [Mr. SWANSON] I transfer my pair to the senior Senator from Maine [Mr. HALE] and allow my vote to stand.

Mr. SCHALL. I would like to have the RECORD show that my colleague [Mr. SHIPSTEAD] is ill.

Mr. BRATTON. I have a general pair with the Senator from Pennsylvania [Mr. REED], which I transfer to the junior Senator from Arkansas [Mr. CARAWAY] and vote "nay."

Mr. FESS. I desire to announce that the junior Senator from Rhode Island [Mr. HEBERT] is paired with the junior Senator from South Carolina [Mr. BLEASE].

The result was announced—yeas 19, nays 53, as follows:

## YEAS—19

Allen	Fess	McNary	Shortridge
Bingham	Gillett	Moses	Walcott
Couzens	Goldsborough	Patterson	Walsh, Mass.
Dale	Greene	Phipps	Warren
Edge	Hatfield	Sackett	

## NAYS—53

Ashurst	Dill	King	Smoot
Barkley	Fletcher	La Follette	Steck
Black	Frazier	McKellar	Stewer
Blaine	George	McMaster	Swanson
Borah	Glenn	Norbeck	Thomas, Idaho
Bratton	Goff	Norris	Thomas, Okla.
Brock	Harris	Nye	Trammell
Brookhart	Harrison	Oddie	Wagner
Broussard	Hawes	Overman	Walsh, Mont.
Capper	Hayden	Ransdell	Waterman
Connally	Healin	Schall	Wheeler
Copeland	Howell	Sheppard	
Cutting	Jones	Simmons	
Deneen	Kendrick	Smith	

## NOT VOTING—23

Bleas	Hastings	Pine	Stephens
Burton	Hebert	Pittman	Townsend
Caraway	Johnson	Reed	Tydings
Glass	Kean	Robinson, Ark.	Vandenberg
Gould	Keyes	Robinson, Ind.	Watson
Hale	Metcalfe	Shipstead	

So Mr. GILLET's amendment was rejected.

The PRESIDENT pro tempore. The question now recurs upon agreeing to the amendment proposed by the committee.

Mr. WALSH of Massachusetts obtained the floor.

Mr. SMOOT. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Utah?

Mr. WALSH of Massachusetts. I yield.

Mr. SMOOT. While so many Senators are present I want to call attention to a report which I have received in response to my request, giving the situation as to animal and vegetable oils and fats, arranged in order of importance according to quantity of imports for consumption and giving information as to production, imports, exports, and prices. The paragraphs relating to the subject are so involved, one with the other, that I am going to ask Senators, before we take up the subject Monday, to examine this report in the RECORD and study the figures. I think it will be very illuminating and it may help greatly in enabling Senators to arrive at the vote they may want to cast.

Mr. NORRIS. The report is to be printed in the RECORD?

Mr. SMOOT. Yes. I ask unanimous consent that the report be printed in the RECORD, so that every Senator may be able to obtain the information it gives. I think it will be absolutely necessary to have it when we begin consideration of the oil paragraphs in the bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The tables are as follows:

VEGETABLE AND ANIMAL OILS AND FATS—IMPORTS FOR CONSUMPTION, 1928  
TABLE 1.—Animal and vegetable oils and fats arranged in order of importance according to quantity of imports for consumption, 1928

Commodity	Paragraph	Quantity	Value
<i>Pounds</i>			
Coconut oil.....	55	290,696,971	\$23,067,760
Free, product of Philippine Islands.....		290,636,702	23,061,357
Dutiable at 2 cents per pound.....		60,269	6,403
Palm oil.....	1632	169,227,771	11,066,721
Chinese wood oil, nut oil or tung oil, or oil of nuts.....	1632	109,221,771	13,419,029
Olive oil, edible.....	54	83,391,900	15,347,921
In packages weighing less than 40 pounds.....		49,264,051	9,114,185
Other.....		34,127,849	6,233,736
Palm kernel.....	1632	53,812,482	4,369,100
Olive oil, inedible, for mechanical or manufacturing purposes.....	1632	49,367,524	4,241,620
Sulphured or foots.....		39,546,684	2,896,049
Other.....		9,810,840	1,345,571
Whale oil, n. s. p. f.....	53	48,426,495	3,021,378
Herring, menhaden, and cod oil.....	53	38,375,370	1,784,293
Cod-liver oil.....	1630	19,304,498	2,517,164
Rapeseed oil.....	54	16,875,675	1,504,321
Animal tallow.....	701	13,421,499	1,034,054
Beef.....		12,043,858	931,212
Mutton.....		1,377,641	102,842
Soybean oil.....	55	12,587,150	776,557
Cod oil.....	1630	11,769,255	801,278
Wool grease, including degrass or brown wool grease.....	53	10,668,960	359,375
Crude.....		8,297,650	202,611
Refined or improved, including adeps lane, hydrous, and anhydrous.....		2,371,310	156,764
Sesame oil.....	1632	6,264,113	667,902
Vegetable tallow.....	1691	5,326,050	358,375
Butter.....	709	4,334,684	1,562,283
Sperm oil.....	53	3,315,308	167,776
Fish oils, n. s. p. f.....	53	2,364,540	91,702
Peanut oil.....	55	2,219,359	287,075
Perilla oil.....	1632	2,010,957	214,262
Oleo stearin.....	701	1,621,670	144,400
Seal oil.....	53	1,460,955	86,407
Expressed and extracted oils, n. s. p. f.....	54	1,091,925	98,222
Castor oil.....	54	1,033,028	101,454
Oleo oil.....	701	623,931	77,381
Animal oils, fats, and greases, n. s. p. f.....	53	261,622	18,284
Linseed oil, raw, boiled, or oxidized.....	54	173,918	14,056
Almond oil, sweet.....	1632	85,865	57,137
Poppy-seed oil, raw, boiled, or oxidized.....	54	44,890	7,922
Croton oil.....	1632	910	580
Cottonseed oil.....	55	530	71
Total.....		959,381,370	87,265,860

TABLE 2.—Animal and vegetable oils and fats, dutiable and free, arranged in order of importance according to quantity of imports for consumption, 1928

Oils	Quantity	Value
<i>Pounds</i>		
<b>DUTIALE</b>		
Olive, edible.....	83,391,900	\$15,347,921
Whale, n. s. p. f.....	48,426,495	3,021,378
Herring, menhaden, and cod.....	38,375,370	1,784,293
Rapeseed.....	16,875,675	1,504,321
Animal tallow.....	13,421,499	1,034,054
Soybean.....	12,587,150	776,557
Wool grease.....	10,668,960	359,375
Butter.....	4,334,684	1,562,283
Sperm.....	3,315,308	167,776
Fish, n. s. p. f.....	2,364,540	91,702
Peanut.....	2,219,359	287,075
Oleo stearin.....	1,621,670	144,400
Seal.....	1,460,955	86,407
Expressed and extracted, n. s. p. f.....	1,091,925	98,222
Castor.....	1,033,028	101,454
Oleo.....	623,931	77,381
Animal fats, greases, n. s. p. f.....	261,622	18,284
Linseed.....	173,918	14,056
Coconut.....	60,269	6,403
Poppyseed.....	44,890	7,922
Cottonseed.....	530	71
Total.....	242,353,678	26,491,335
<b>FREE</b>		
Coconut, Philippine Islands.....	290,636,702	23,061,357
Palm.....	169,227,771	11,066,721
Chinese wood or wood tung.....	109,221,771	13,419,029
Palm kernel.....	53,812,482	4,369,100
Olive, inedible.....	49,367,524	4,241,620
Cod liver.....	19,304,498	2,517,164
Cod.....	11,769,255	801,278
Sesame.....	6,264,113	667,902
Vegetable tallow.....	5,326,050	358,375
Perilla.....	2,010,957	214,262
Almond, sweet.....	85,865	57,137
Croton.....	910	580
Total.....	717,027,692	60,774,525



TABLE 3.—Animal and vegetable oils and fats arranged by groups according to uses and in order of importance of imports for consumption, 1928

SOAP OILS					
Dutiable oils	Quantity	Value	Free oils	Quantity	Value
	Pounds			Pounds	
Whale, n. s. p. f.	48,426,495	\$3,021,378	Coconut, Philippine Islands.	290,636,702	\$23,061,357
Herring, menhaden, and cod	38,375,370	1,784,293	Palm	169,227,565	11,066,721
Animal tallow	13,421,499	1,034,054	Palm kernel	53,812,482	4,369,100
Fish, n. s. p. f.	2,364,540	91,702	Olive, inedible	49,367,524	4,241,620
Seal	1,460,955	86,407	Vegetable tallow	5,326,050	358,375
Expressed and extracted, n. s. p. f.	1,091,925	98,222			
Animal fats, greases, n. s. p. f.	261,622	18,284			
Coconut	60,269	6,403			
Total	105,462,675	6,140,743	Total	568,370,323	43,097,173

PAINT OILS					
Soybean	12,587,150	\$776,557	Chinese wood, tung	109,221,771	\$13,419,029
Linseed	173,918	14,056	Perilla	2,010,957	214,262
Poppy seed	44,890	7,922			
Total	12,805,958	798,535	Total	111,232,728	13,633,291

EDIBLE OILS					
Olive	83,391,900	\$15,347,921	Sesame	6,264,113	\$667,902
Butter	4,334,684	1,562,283			
Peanut	2,219,359	287,075			
Oleo stearin	1,621,670	144,400			
Oleo	623,931	77,381			
Cottonseed	530	71			
Total	92,192,074	17,419,131	Total	6,264,113	667,902

MISCELLANEOUS OILS					
Rapeseed	16,875,675	\$1,504,321	Cod liver	19,304,498	\$2,517,164
Wool grease	10,668,960	359,375	Cod	11,769,255	801,278
Sperm	3,315,308	105,915	Almond, sweet	85,865	57,137
Castor	1,033,028	101,454	Croton	910	580
Total	31,892,971	2,132,926	Total	31,160,528	3,376,159

TABLE 4.—Exports of animal and vegetable oils and fats, 1928, arranged in groups according to usage

	Quantity	Value
	Pounds	
Soap oils:		
Miscellaneous animal greases and fats	62,974,993	\$5,713,183
Coconut oil	24,652,602	2,088,065
Miscellaneous expressed oils and inedible fats	8,190,180	709,385
Vegetable soap stock	7,528,580	491,987
Grease stearin	1,452,136	114,072
Fish oils	881,820	105,915
Other animal oils, inedible	741,376	81,915
Total	106,421,697	9,304,522
Edible oils:		
Lard	759,722,195	98,700,668
Oleo oil	62,779,381	8,280,861
Cottonseed, crude and refined	51,702,246	4,656,725
Lard, neutral	23,749,830	3,225,117
Oleo stock	6,778,851	862,040
Vegetable oil lard compounds	5,680,959	759,599
Lard compounds containing animal fat	4,713,368	613,219
Oleo and lard stearin	3,882,544	436,126
Oleomargarine of animal or vegetable fats	644,565	107,064
Other edible vegetable oils and fats	3,698,107	589,871
Tallow	3,210,840	287,241
Corn oil	336,945	49,616
Total	926,897,811	118,568,117
Paint oils:		
Soybean oil	7,142,097	756,094
Linseed oil	1,965,147	227,886
Total	9,107,244	983,980
Miscellaneous oils: Neat's-foot oil	1,222,932	216,463
Grand total	1,043,649,684	129,073,082

TABLE 5.—Domestic production of animal and vegetable oils and fats, 1928, arranged in groups according to usage

	Quantity
	Pounds
Edible oils:	
Lard, other edible	1,795,901,870
Cottonseed, crude	1,460,407,149
Corn, crude	121,686,657
Lard, neutral	52,991,078

TABLE 5.—Domestic production of animal and vegetable oils and fats, 1928, arranged in groups according to usage—Continued

	Quantity
	Pounds
Edible oils—Continued.	
Tallow, edible	41,010,650
Olive, edible	1,438,017
Peanut, virgin and crude	12,439,080
Total	3,486,874,501
Paint oils:	
Linseed oil	751,444,531
Soybean, crude	4,715,908
Total	756,160,439
Miscellaneous oils:	
Castor	56,521,100
Wool grease, crude and recovered	9,107,903
Neat's-foot oil	6,527,938
Cod and cod-liver	1,873,085
Sperm	703,500
Total	74,733,526
Soap oils:	
Tallow, inedible	381,542,802
Coconut or copra, crude	311,130,463
Garbage grease	89,378,841
White grease	77,951,429
Yellow grease	71,600,006
Tankage grease	53,476,049
Brown grease	47,358,875
Herring and sardine oil	45,587,640
Menhaden oil	24,719,649
Bone grease	22,171,798
Whale oil	9,716,250
All other marine animal	1,586,903
Olive, inedible	13,094
Total	1,136,233,799
Grand total	5,453,002,265

TABLE 6.—Soap oils: Prices of animal and vegetable oils and fats, 1923–1928, by quarters<sup>1</sup> (Cents per pound)

	Coconut, New York	Palm oil, New York spot	New Palm kernel, New York	Olive, inedible, New York	Whale, crude, New York	Menhaden, crude, f. o. b. factory	Sardine tanks, Pacific coast	Herring tanks, Pacific coast	Salmon tanks, Pacific
	Lagos	Niger	Palm	Foots, green	Denatured, New York				
1923—Jan	8 3/4	7 3/4	7 1/4	8 3/4	9	15 1/4	6	6.2	5.33
Apr	10	8 1/2	8 1/2	9 1/4	9 1/4	15 1/4	6 1/4	6.13	6.67
July	9 1/4	7	6 3/4	8 3/4	7 3/4	15 1/4	6 1/4	6.13	6.67
Oct	9 1/4	7 1/2	7 1/2	8 3/4	8 3/4	14 1/4	6	6.14	5.33
1924—Jan	9 1/4	7 1/2	7 1/2	8 3/4	8 3/4	14 1/4	6	6.14	6.67
Apr	9 1/4	7 1/2	6 3/4	8 3/4	8 3/4	14 1/4	6	6.14	6.67
July	9 1/4	7 1/2	6 3/4	8 3/4	8 3/4	14 1/4	6	6.14	6.67
Oct	10 1/2	8 3/4	8 3/4	9 1/4	9 1/4	15 1/4	6 1/4	5.33	6
1925—Jan	11 1/2	10	9 1/4	10 1/2	10 1/2	15 1/4	7	5.33	5.33
Apr	10	9 1/2	8 3/4	10 1/2	10 1/2	15 1/4	7	5.33	5.33
July	10 1/2	9	8 3/4	10 1/2	10 1/2	15 1/4	7	5.33	5.33
Oct	13 1/4	9 1/2	9 1/4	11	8 3/4	16	7 1/4	6.85	6
1926—Jan	11 1/2	9 1/2	8 3/4	10 1/2	8 3/4	16	7 1/4	6.78	7.33
Apr	11 1/2	8 3/4	8 3/4	10 1/2	8 3/4	15 1/4	7 1/4	6.8	6.67
July	11 1/2	8 3/4	8 3/4	10 1/2	8 3/4	15 1/4	7 1/4	6.14	6.27
Oct	9 1/2	8 3/4	8 3/4	10	8 3/4	16 1/2	8	5.81	6
1927—Jan	9 1/2	8 3/4	7 3/4	9 1/2	9 1/2	17 1/2	8	5.2	5.6
Apr	9 1/2	8 3/4	7 3/4	9 1/2	9 1/2	17 1/2	8	5.2	5.6
July	9 1/2	7 3/4	7 3/4	8 3/4	8 3/4	23 1/4	7 1/2	5.6	5.6
Oct	9 1/2	7 3/4	7 3/4	9	10 1/4	23	7 1/2	5.8	5.7
1928—Jan	9 1/2	7 3/4	7 3/4	9 1/2	9 1/2	18 1/2	7 1/2	5.2	5.3
Apr	9 1/2	7 3/4	7 3/4	9 1/2	10	16 1/2	7 1/2	5.2	5.3
July	9 1/2	7 3/4	7 3/4	9 1/2	10	16 1/2	7 1/2	5.3	5.3
Oct	9 1/2	8 1/4	7 3/4	9 1/2	10 1/2	17 1/2	7 1/2	5.5	5.3
1929—Jan	9 1/2	8 1/4	8 1/4	9 1/2	10 1/2	18	7 1/2	6.2	6.0
Apr	9	8 1/4	8 1/4	9 1/2	10 1/2	18	7 1/2	6.0	5.3
July	7 1/2	7 1/2	7 1/2	7 1/2	9 1/2	16	7	5.4	6.0
Oct	8 1/4	7 3/4	7 1/2	8 1/4	9	14	7	6.5	6.4

<sup>1</sup> Sources: Oil, Paint, and Drug Reporter; Chemical Markets; Drug Markets; Year Book of U. S. Department of Agriculture; National Provisioner, first quotation of each quarter.

TABLE 6.—Paint oils: Prices of animal and vegetable oils and fats, 1923–1928, by quarters<sup>1</sup> (Cents per pound)

	Linseed oil, crude, New York	Tung oil, New York (tanks)	Soybean oil, crude, New York	Perilla oil, New York	Poppy-seed oil, New York
1923—January	11 1/4	13	11	13 1/4	26 1/4
April	15	12 1/2	12 1/2	16 1/4	30
July	18 1/4	24 1/2	12 1/2	14 1/4	30
October	11 1/2	21 1/2	10 1/4	14	28 1/4

<sup>1</sup> Sources: Oil, Paint, and Drug Reporter; Chemical Markets; Drug Markets; Year Book of U. S. Department of Agriculture; National Provisioner, first quotation of each quarter.

TABLE 6.—Paint oils: Prices of animal and vegetable oils and fats, 1923–1928, by quarters—Continued.

	Linseed oil, crude, New York	Tung oil, New York (tanks)	Soybean oil, crude, New York	Perilla oil, New York	Poppyseed oil, New York
1924—January.....	11½	21	11¼	14	28
April.....	11¼	15½	11¼	14½	30
July.....	12	11¼	12¼	13½	30
October.....	12½	15½	12¼	14	30
1925—January.....	14½	14¼	13½	14½	30
April.....	13	12½	13¼	15	30
July.....	12	13	13¼	14¾	29¼
October.....	12½	12¼	13¼	15½	24¼
1926—January.....	11½	12¼	13¼	15¼	24¼
April.....	10	10½	13¼	13¾	24
July.....	10¾	14	14	13	22¼
October.....	10	16	14	13	24
1927—January.....	9¼	12	11¼	13	22¼
April.....	9½		12	13¼	24
July.....	10¼		12	16½	28
October.....	9¼		12	15	22¼
1928—January.....	8¼	Pacific coast 13¼	12	14¼	22¼
April.....	9	13	12	13	22¼
July.....	9½	13	12¼	13¼	23¼
October.....	9¼	14	12¼	15½	22¼
1929—January.....	9½	13½	12¼	18	22¼
April.....	9½	13	12¼	13¼	22¼
July.....	9½	13¼	11¼	13¼	22¼
October.....	15½	13¼	12½	16½	22¼

TABLE 6.—Edible oils: Prices of animal and vegetable oils and fats, 1923–1928, by quarters (Cents per pound)

	Peanut, New York spot		Sesame, refined, New York
	Crude	Refined	
1923—January.....	12½	15	16½
April.....	15½	18	14¼
July.....	15	16	12
October.....	15	16	11½
1924—January.....	13	14½	13½
April.....	13	14½	11½
July.....	12½	14½	10¾
October.....	13	16	12¼
1925—January.....	13	16½	15½
April.....	13	16½	15½
July.....	13	15	15½
October.....	13	15	13
1926—January.....	12	15	13
April.....	12½	16	13¼
July.....	13	16	14¼
October.....	13	16	14½
1927—January.....	12	14½	13
April.....	12	14½	13
July.....	12	14½	13
October.....	12	14½	13
1928—January.....	12	14½	13
April.....	12	14½	14
July.....	12	14½	14¼
October.....	12	14½	14¼
1929—January.....		14½	12½
April.....		14½	12½
July.....		14½	12½
October.....		14½	12½

TABLE 6.—Miscellaneous oils: Prices of animal and vegetable oils and fats, 1923–1928, by quarters (Cents per pound)

	Castor oil, No. 1 grade, New York spot	Rapeseed oil		Sperm oil, natural, f. o. b. New Bedford	Cod oil	Croton oil, U. S. P., New York	Sweet almond, refined, New York
		Crude	Re-fined				
1923—January.....	12½		11	12¼	7¼	100	42
April.....	14½		11½	11¼	9	100	35
July.....	14½		11¼	11¼	9	100	34
October.....	13½		10¾	11¼	8¼	100	33
1924—January.....	14½		10¾	10¼	8¼	100	32
April.....	15½		12	10¼	8¼	100	40
July.....	16		10¾	10¼	7¾	100	42
October.....	17		12	10¼	7¾	100	41
1925—January.....	17½		13¼	10¾	8	95	85
April.....	17½		12¾	10¾	8¼	95	80
July.....	16½		13¼	10¾	8¼	95	78
October.....	13		13	10¾	8	90	85
1926—January.....	15		12½	10¾	8¼	90	95
April.....	13½	11¼	12¼	10¼	7¾	90	95
July.....	13	11¼	12½	10¼	7¾	90	82
October.....	12½	11	12¼	10¼	8¼	90	82

<sup>1</sup> Sources: Oil, Paint, and Drug Reporter; Chemical Markets; Drug Markets; Yearbook of U. S. Department of Agriculture; National Provisioner. First quotation of each quarter.

TABLE 7.—Miscellaneous oils: Prices of animal and vegetable oils and fats, 1923–1928—Continued

	Castor oil, No. 1 grade, New York spot	Rapeseed oil		Sperm oil, natural, f. o. b. New Bedford	Cod oil	Croton oil, U. S. P., New York	Sweet almond, refined, New York
		Crude	Re-fined				
1927—January.....	13½	10¼	10¾	10¾	8¼	90	80
April.....	14½	10¾	12	10¾	8¼	90	85
July.....	13	10¾	11¼	10¾	8¼	90	80
October.....	13	11¼	11¼	10¾	8¼	90	77½
1928—January.....	14	10¾	11¼	10¾	8¼	90	75
April.....	14	11¼	12	10¾	9	85	70
July.....	14	11¼	11¼	10¾	9	85	70
October.....	13	10¾	11¼	10¾	8¼	85	75
1929—January.....	.13	English		10.4	8.7	85	77½
April.....	.13	11.5	11.7	10.4	8.4	85	77½
July.....	.13	10.7	11.3	10.4	8.4	175	70
October.....	.13			10.4	7.9	200	70

Prices at Chicago; low quotation; first issue in each quarter  
[From National Provisioner]  
(Cents per pound)

	Pure lard, kettle rendered (tierces)	Oleo oil, extra	Oleo stearin, prime, edible	Edible tallow	Tallow, packers, No. 1
1923—January.....	11.50	13.00	9.25	8.75	8.00
April.....	13.25	13.00	10.00	10.00	8.50
July.....	12.75	11.00	8.00	7.50	
October.....	14.50	12.50	12.25	9.75	
1924—January.....	13.75	15.50		Under 8% acid, 45 titre 9.00	48-49 titre 10% f. a. 7.50
April.....	11.50	11.75	8.75	8.25	7.00
July.....	11.37	12.50	11.00	9.50	6.75
October.....	15.50	17.25	11.00	9.00	8.25
1925—January.....	16.00	15.25	11.25	10.75	10.00
April.....	16.50	12.75		9.75	9.00
July.....	17.25	13.75	12.75	10.25	9.125
October.....	17.50	15.75	16.75	10.75	9.50
1926—January.....	15.00	12.75	12.00	10.00	9.00
April.....	Loose 14.00	12.50	11.75	9.50	8.50
July.....	16.25	13.50	13.50	10.75	8.00
October.....	14.25	11.25	12.25	9.00	7.75
1927—January.....	12.50	9.50	8.75	7.50	6.375
April.....	12.87	11.75	9.50	8.00	7.125
July.....	13.12				7.25
October.....	12.25	13.50	12.50	9.75	8.00
1928—January.....	12.00	Tierces		9.75	Does not specify 48-49 titre 8.25
April.....	12.00	14.00	11.00	9.75	
July.....	12.00	13.00	9.25	8.75	7.75
October.....	12.75	13.50	12.50	9.50	8.50
1929—January.....	11.75	11.25	10.25	9.50	8.75
April.....	12.75	11.25	10.00	8.75	8.00
July.....	12.00	11.00	9.00	8.25	7.125
October.....	11.57	10.25	10.50	9.50	8.00

Prices, cottonseed oil; first quotation in each quarter; low  
[From Oil, Paint, and Drug Reporter]  
(Cents per pound)

	Spot New York re-fined	Crude (immediate southeast)
1923—January.....	11.25	9.125
April.....	12.25	10.25
July.....	11.50	9.00
October.....	13.50	9.50
1924—January.....	12.00	9.375
April.....	11.00	8.55
July.....	10.75	9.25
October.....	10.90	9.375
1925—January.....	11.30	10.00
April.....	11.00	9.875
July.....	10.90	Nom.
October.....	10.40	8.75

<sup>1</sup> Prime summer yellow.



\*Prices, cottonseed oil; first quotation in each quarter; low—Continued

	Spot New York re- fined	Crude (im- mediate southeast)
	<i>Barrels</i>	<i>Tanks</i>
1926—January.....	110.90	9.25
April.....	111.90	11.00
July.....	114.60	Nom.
October.....	119.40	8.00
1927—January.....	118.15	6.50
April.....	118.90	7.375
July.....	119.35	8.125
October.....	110.60	9.25
1928—January.....	110.25	8.875
April.....	110.00	8.75
July.....	110.20	Nom.
October.....	110.25	8.50
1929—January.....	110.90	8.25
April.....	110.60	8.75
July.....	119.55	Nom.
October.....	119.25	7.625

<sup>1</sup> Prime summer yellow.

Mr. EDGE. Mr. President, will the Senator from Massachusetts yield to me to enable me to ask a question of the Senator from Utah?

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from New Jersey for that purpose?

Mr. WALSH of Massachusetts. I yield.

Mr. EDGE. In connection with the statement just made by the Senator from Utah, a number of vegetable oils, as the Senator will recall, appear in the free list where a provision is included that the oils must be properly denatured so as not to be useful for edible purposes. When the discussion on paragraphs 53 and 54 is undertaken, would that contemplate going all the way over to the free list or would the particular items now in the free list remain there until the free list is reached?

Mr. SMOOT. It is my opinion that the items which are now on the free list will remain there until we reach the free list for consideration. I think there are very few of them on the free list about which there is any question.

Mr. EDGE. That is my understanding.

Mr. WAGNER. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from New York?

Mr. WALSH of Massachusetts. I yield.

Mr. WAGNER. I would like to suggest, in answer to the inquiry of the Senator from New Jersey, that the amendment proposed by the junior Senator from Idaho [Mr. THOMAS] contemplates taking some of the inedible oils from the free list and putting them upon the dutiable list, and for that reason discussion of the items on the free list is bound to come up when his substitute is offered.

Mr. SMOOT. Whenever we take items from the free list and put them upon the dutiable list, of course, then all we have to do when we reach the free list is to disagree to the amendment there contained. There will not be any discussion after the question is finally decided in connection with the paragraphs in the dutiable list.

Mr. WAGNER. I join in the hope expressed by the Senator from Utah that the items referred to will remain upon the free list.

Mr. SMITH. Mr. President, may I ask the Senator from Utah a question?

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield for that purpose?

Mr. WALSH of Massachusetts. I yield to the Senator from South Carolina to ask one question of the Senator from Utah, and I will permit the Senator from Utah to make one answer.

Mr. SMITH. The one question is, What is the source of the Senator's statistics?

Mr. SMOOT. The source of the statistics I have just asked to have printed in the RECORD is the Tariff Commission, prepared at the request of members of the committee.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the committee. The Senator from Massachusetts has the floor.

Mr. WALSH of Massachusetts. Mr. President, I ask the attention of the Senate in order that I may make a proposal in the way of a compromise to this paragraph. It will be noted that there are two classes in the paragraph. One deals with a duty upon the paint cakes nonassembled and the other deals with the paint assembled. The duty on the nonassembled paint cakes is 40 per cent. The duty on the assembled paint, which is the article which the school children purchase, is 70 per cent

ad valorem. The duty of 70 per cent is sufficient. No one requests that it be increased.

The importers have been defeating the 70 per cent rate by bringing in the paint cakes unassembled.

The grievance that the makers of the students' boxes have is as to the nonassembled paints. Their grievance is that labor cost more here; but in Germany the paint can be made from oils or other chemicals that have no protective tariff duty. The paint makers in this country have a very heavy duty to pay upon the oils and chemicals, and not only that but they must pay a duty upon the basis of the American valuation. The difficulty with which the manufacturer is concerned is not so much the protective duty on the assembled paints as it is upon the paints unassembled.

In order to help the domestic manufacturers I am going to propose that the duty upon nonassembled paints be increased from 40 to 50 per cent and that the duty upon assembled paints be reduced from 70 to 60 per cent. In other words, I am seeking to give the benefit of a lower tariff duty on the assembled paint cakes, but to give the manufacturer a little higher duty upon the nonassembled paints. It seems to me that is a fair compromise. I ask unanimous consent that the figure "40" in the committee amendment be changed to "50," and that the figure "70" in the second section of the paragraph be changed to "60."

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator offer that as an amendment?

Mr. WALSH of Massachusetts. No; I ask unanimous consent to take up the entire paragraph, because I have to deal with the second paragraph in which there is no committee amendment. I seek to make the duty lower upon the assembled article.

Mr. KING. Mr. President, if there would be no objection to the Senator offering the amendment, of course he need not ask unanimous consent, as he has done. I hope the amendment will not prevail.

Mr. WALSH of Massachusetts. Am I to understand the Senator to take the position that he is opposed to reducing the duty upon the assembled cakes of paint?

Mr. KING. As I understand the situation, the effect of the Senator's amendment will be to increase the ultimate cost by a considerable amount—perhaps 25 per cent or more—upon a product which is used by the 15,000,000 school children in the United States.

Mr. WALSH of Massachusetts. The amendment would reduce the duty of 70 per cent on paints, students' or children's paints, when assembled, and therefore reduce the cost of the assembled paints. The importer who assembles in this country can fix his price now just under 70 per cent. If my amendment prevails, he must fix his price to the school children under the 60 per cent duty. It seems to me the result would be to force the retail price down.

The assembled article has a duty of 70 per cent—that is, the paints in the box. I am asking that the duty on the assembled product be reduced and that the duty on the paint cakes that are imported here to be assembled be increased. I can not see how it can result in any increased price when we are actually asking for a reduction, and then the importer will have to fix his retail price of the assembled cakes in the box below a 60 per cent duty rather than below a 70 per cent duty.

Mr. BROUSSARD. Mr. President, do the school children ever buy the unassembled paint?

Mr. WALSH of Massachusetts. Rarely. There is the whole point.

The PRESIDING OFFICER. The clerk will report the amendment of the Senator from Massachusetts.

The CHIEF CLERK. On page 28, line 23, strike out the numeral "40" and insert "50," and on page 29, line 2, strike out the numeral "70," and insert "60."

The PRESIDING OFFICER. The question is on the amendment of the Senator from Massachusetts.

Mr. GEORGE. Mr. President, is the vote to be taken on the amendment as stated by the clerk, or is it to be separated?

The PRESIDING OFFICER. The Chair understands the Senator to offer it as one amendment.

Mr. WALSH of Massachusetts. Yes. It is not fair to reduce the duty upon the assembled paint cakes, which is not presented to the Senate by the committee, without the two being considered together, the nonassembled paint and the assembled paint.

Mr. SWANSON. Mr. President, on this issue as to whether the school children are benefited or hurt by the amendment, it depends on how many of the boxes are imported and how much of the assembled paint is imported. Can the Senator tell us what the school children pay for the box containing the paint?

Mr. WALSH of Massachusetts. The 8-colored box of paint cakes exhibited here is 25 cents. The serious difficulty in producing the paint cakes in this country is the cost of the non-assembled paint which, as I said, is subject to more expensive processes of manufacture here by reason of the excessive duty on the oils and chemicals used in making the paint and the labor involved.

Mr. KING. Mr. President—

Mr. WALSH of Massachusetts. Am I to understand that the Senator from Utah is opposed to my amendment?

Mr. KING. I am.

Mr. WALSH of Massachusetts. I withdraw the amendment. If it is not possible to get the Senate to agree to reduce the duty on assembled paint and increase the duty on nonassembled paint, then there is no use spending any time trying to remedy the inequalities in this bill.

Mr. KING. Mr. President, I shall not take the time to reply to my dear friend, but the conclusion drawn from his remarks, I think, does not necessarily follow from the facts. He has withdrawn the amendment, so there is nothing to talk about in that connection.

The PRESIDING OFFICER (Mr. Fess in the chair). The question is on agreeing to the committee amendment on page 28.

Mr. SACKETT. Mr. President, before we come to a vote on the committee amendment I think it ought to be stated that there are a number of organizations in the country who have urged the increase in the duty on the unassembled paint because of the action of the companies who manufacture them in affording a tremendous amount of help to the various schools of the country. That protest has come to many of the Senators in the form of telegrams. I shall only cite one. It comes from Van L. Wills, the president of the Better Schools League at Chicago, and in it he describes a bit of the work. He indicates in the telegram that if the duty is not so fixed that the unassembled paint can be manufactured in this country the public will lose a very valuable technical and professional service that is being rendered. Referring to the group which manufactures the unassembled paints, the telegram reads:

CHICAGO, ILL., October 10, 1929.

Hon. FREDERIC M. SACKETT,

Senate Office Building, Washington, D. C.:

In studying the Senate bill we are greatly surprised to learn that you have failed to protect our American manufacturers of school water colors. This group has made and is now making a great contribution to art education in our public, private, and parochial schools throughout the country. They are rendering a highly technical and professional service through professional art-trained salesmen, traveling school art exhibits, art service bureaus, and the publication and distribution of beautiful art magazines. If they are not protected and are forced out of business in this field by foreign competition it would be a great loss to the schools of the United States and to the development of a real national art appreciation, which has made wonderful strides through their help and assistance since the war. Every other item in the school-supply line is protected, and we believe a consistent national policy should be pursued by protecting school water colors likewise, and if they are not protected because they are a school item, then all school supply items for the same reason should be placed on the free list. We know of not a single instance where foreign colors are demanded or specified. The importers get their business by cutting just under what they think the American manufacturers can quote. In the spirit of fair play and inspired with a patriotic desire to aid in sponsoring any cause that will give us better schools and greater and better art education, we earnestly request your support to provide a protective tariff for the American manufacturers of school water colors.

VAN L. WILLS,

President Better Schools League (Inc.).

The main features of the situation are stated in that telegram. I think the RECORD ought to show that those of us who feel that this is a necessary business have a reason for our position outside of the mere protection of a manufacturing industry, in that we are trying to assist the schools in promoting art education. If that kind of effort shall cease through the failure of these companies to continue the manufacture of this article, the public schools will probably suffer more in their endeavor to advance that kind of education than from any other cause.

Before we vote on the amendment, however, I wish to call attention to another feature of it. On unassembled paints—and I think those Senators who are interested in lower duties might well listen to this statement—on unassembled paints it is proposed in the amendment to put a duty of 40 per cent, while on assembled paints in a tin box, which is pressed out and which can be made upon any machine, we put a duty of 70 per cent. The only thing that the assembling of these articles requires is the labor of putting the little tins into the box. It can be done by thousands in a day by a single man. There is not any justifi-

cation, in my judgment, for putting a duty of 40 per cent upon the unassembled paints and then giving the manufacturer of the little steel box—for that is practically what it is—a duty of 70 per cent. There was no evidence before the Finance Committee of the Senate to show that it costs the difference in the duty to do that assembling work. By destroying the industry of making paints there will be taken away from art education in the public schools such assistance as is freely given by the manufacturers; and by giving the manufacturers of pressed tin boxes a duty 30 per cent in excess of the duty that is proposed to be placed on unassembled paints, we shall be doing a damage to the schools of the country without affording any reciprocal aid and help. We shall be taking away that reciprocal aid and help which those schools might get and are getting from the manufacturers of the paint itself. In my judgment such action would be doing a damage to the children of the country.

The suggestion that was made by the Senator from Massachusetts of a sufficient increase of the duty upon paint itself to warrant the continuance of its production would be of real advantage to the people and to the children of the country by promoting art education; but the duty proposed to be given to the manufacturer of the tin box and the work of a girl putting little tins in it with her fingers is an outrage.

Mr. TRAMMELL. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Will the Senator from Kentucky yield to the Senator from Florida?

Mr. SACKETT. I yield.

Mr. TRAMMELL. I should like to ask the Senator which represents the greater part of the cost—the paints or the tin box?

Mr. SACKETT. I can not tell the Senator exactly, because I have not the record in front of me, but he will find it in the hearings. Perhaps the Senator from Massachusetts may be able to advise the Senator from Florida.

Mr. TRAMMELL. That would have a great bearing upon the question of what influence a 40 per cent duty or a 60 per cent duty or a 70 per cent duty would have on the cost of the two articles.

Mr. GILLET. The cost of the box is about 5 cents and the cost of the tins is about 3 cents, making 8 cents. A dozen cakes of paint cost in this country about 15 cents, and there are eight of them in the box, which would make the cost of those in the box about 10 cents.

Mr. TRAMMELL. It is proposed to allow 70 per cent duty on the box and only 40 per cent on the paint?

Mr. GILLET. On the box and the paint both 70 per cent when assembled. Of course, the trouble is they send them over in bulk and then assemble them here.

Mr. SACKETT. They do not import a single one assembled, as I understand; there are no imports of the completed box assembled.

Mr. TRAMMELL. The Senator's contention is that an advantage is given to the maker of the box in levying a duty of 70 per cent?

Mr. SACKETT. It is sufficient to be an embargo upon the assembled paints.

Mr. COPELAND and Mr. WALSH of Massachusetts addressed the Chair.

Mr. SACKETT. I stand corrected. The chairman of the committee says they import a few of them, but I understand the number is very small.

Mr. SIMMONS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from North Carolina?

Mr. SACKETT. I yield.

Mr. SIMMONS. The Senator from Kentucky seems to have studied this matter very carefully. I should like to ask him what duty does he propose with reference both to the assembled and unassembled as being a fair proportionate duty?

Mr. SACKETT. If the Senator please, I was very much impressed with the suggestion made by the Senator from Massachusetts. When I found that the pigment and other materials of which the paints were made cost so much more in this country—and much of the material used in the manufacture of the paints, as I understand, bears a duty before it is manufactured into paints—I realized that the difference in the cost of production here and the import price as disclosed was so wide that the manufacturers in this country are unable to produce them at a profit.

That is the evidence we have. I have never been into the factories, and I can not say definitely; but I found, in view of the difference in the cost of the assembled outfit, that a duty of 70 per cent is practically an embargo. It seems to me if we could lower one considerably and raise the other sufficiently to continue American manufacture and retain the aid in art edu-



cation, which is going on over the country through the efforts of the paint manufacturers, that we would be doing a real service not only to the people who work in the factories making these paints and to the capital that is invested in the business but to the children themselves. I think that some arrangement—

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Massachusetts?

Mr. SACKETT. I yield.

Mr. WALSH of Massachusetts. The Senator as a member of the Finance Committee heard all the evidence in connection with this matter, and most of it he has read. I want to ask him a frank question. Is he not convinced that if this duty is not changed the school children of America will be painting from German boxes and German paints?

Mr. SACKETT. I think that undoubtedly will be the case.

Mr. WALSH of Massachusetts. And that the industry will go to Germany?

Mr. SACKETT. I think undoubtedly that is what the testimony shows.

Mr. WALSH of Massachusetts. And that it may be possible to save it by lessening the spread between these two duties?

Mr. SACKETT. That seems to me to be a very reasonable conclusion.

Mr. WALSH of Massachusetts. I want to go on record as being opposed, because of a failure to rearrange the brackets fixing tariff duties, to transferring this industry or any other industry from this country to Germany.

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from New York?

Mr. SACKETT. I yield.

Mr. COPELAND. If I understand the position of the Senator from Kentucky, his criticism relates to the rate as given at the top of page 29?

Mr. SACKETT. Yes.

Mr. COPELAND. Why does not the Senator propose to lower the rate?

Mr. SACKETT. The reason I have not proposed to lower that rate alone was because I hoped there would be sufficient Senators here who, after listening to the argument, would see that the Senator from Massachusetts was entirely right.

Mr. COPELAND. He usually is.

Mr. SACKETT. I am asking that there may be some increased duty upon an article which shows according to all the testimony that it can not be produced at a profit on the present basis.

I really thought that we would be doing a service to art education in this country if we continued those manufacturers in business. I do not believe it is going to amount to an increase in the cost of the materials; it is a very small increase of duty; and it will afford encouragement to those who are trying to do something for art education.

Mr. COPELAND. Mr. President, if the Senator will bear with me—

Mr. SACKETT. Certainly.

Mr. COPELAND. He, of course, has read the brief of the American Artists' Professional League as found on pages 785 and 786 of the tariff readjustment hearings before the House committee?

Mr. SACKETT. I do not think I have read that.

Mr. COPELAND. I have on my desk letters from artists in my State. For instance, from Mrs. Burr H. Nicholls, of Buffalo, N. Y.; from the New Rochelle Art Association; from Mrs. S. Francis Herschel, of Albany, N. Y.; from Isabel Bishop, of New York City; from Seymore M. Stone, of New York City; from Kenneth Hayes Miller, of the Art Students' League, of New York; from Julia M. Wickham, of Cutchogue, N. Y.; and others, pointing out that 80 per cent of the artists' material—that is, unassembled material—the colors and paints used, come from abroad. I liked what the Senator frankly said about the Senator from Massachusetts. He said he is right about this question, and I said "he usually is right." I myself would be glad to vote for a decrease in the tariff as found on page 29 on the assembled materials, which are those used by the schools, but I think it would be outrageous to increase the tariff on the material brought in in bulk, the unassembled material, because that would be a discouragement, would be a tax upon the whole artistic fraternity and put upon art in this country.

Mr. SACKETT. Mr. President, may I say that I do not agree with the Senator about that? I do not think it will be a tax on art; I think that the tariff rate given to the manufacturing industry producing this material is a help to art, because it brings those people who do that kind of work into close con-

nection with the schools. I think the difference between a 40 per cent and a 50 per cent duty, as suggested by the Senator from Massachusetts upon the unassembled paints, will bring a very small increased cost, indeed, if any at all, and that the benefit derived from this industry being conducted here rather than making our people entirely dependent upon the German manufacturers for their paint, be they just as good, warrants us in considering that this is an industry which needs help if we are going to continue it.

Mr. KING. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Utah?

Mr. SACKETT. I yield.

Mr. KING. I should like to ask—and I do so for information—exactly the manner in which these colors are used. First, may I say—and this is a statement rather than a question, but it will be the basis for the question—an examination of the Tariff Summary shows, first, that the manufacturers coming under this paragraph produced \$8,320,776 worth of these paints and colors every year?

Mr. GILLET. I think the Senator is mistaken about that. That covers artists' materials, I think.

Mr. KING. If the Senator will permit me, I said that under paragraph 67 the Tariff Summary mentions the artists' paints or colors and under the heading "Production" says:

Separate production statistics on artists' paints or colors are not available, being combined with those of other artists' materials. Total value of artists' materials produced in 1925 was \$8,320,776.

I am advised, however—and if I am wrong, of course, I shall be very glad to be corrected—that there has been an increase since 1925. These seem to have been the latest figures available when this summary was prepared.

Mr. SACKETT. That is probably true.

Mr. KING. The imports are only 273,408 pounds imported in bulk, and 61,000 pounds plus that came in assembled sets and kits; so that the great majority of the imports are in the bulk form. When the bulk form comes to the United States, my information is—and I ask for information—that it is then put into these little tins and distributed to the school children throughout the United States; so that 40 per cent only is the tariff imposed upon the paints that are used by the school children of the United States. The amendment of my good friend from Massachusetts, as I understood it—if I am wrong, of course, I want to be corrected—would increase the duty on these paints that the children get from 40 per cent ad valorem to 50 per cent ad valorem. Of course, I assume, and that is my information, that the overwhelming majority of the paints used by the school children come out of the bulk imports rather than out of the finished product.

Mr. SACKETT. Mr. President, I will say to the Senator that in the work of the Finance Committee there were very many portions of the record of imports that could not be applied as furnished by the Tariff Commission, because the individual article which we were discussing was not segregated from the general bulk of material. In this particular case the record of imports includes artists' materials of all kinds; and we can not say, from the record as furnished by the Tariff Commission, just how much of these children's school colors did come into the country. It does not show. We can not give you that; but if you will take the cost of production of this material as given by the Senator from Massachusetts [Mr. GILLET] yesterday, with the amount of duty that there is on the raw material, these people are not able to continue to manufacture; and it does seem to me that this country ought to protect that business at least up to a point where it would not be destroyed and go to Germany.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Massachusetts?

Mr. SACKETT. I do.

Mr. WALSH of Massachusetts. If the Senate is going to be more concerned about selling these paints to children at a low price than about maintaining an industry here, the reasonable thing to do, in view of the evidence that the industry can not compete with German paints because of our American valuation on chemicals and oils, is, of course, to remove both duties, put the paint boxes on the free list. In my opinion there will be no industry in America, so why have school children pay 70 per cent and 40 per cent on material that can not be and will not be produced here? This will give the market to Germany and let them control the price.

Mr. SACKETT. I do not quite see what the object of any tariff is if it is not to protect the industry. It would be better

for the consumer if he did not have to pay any tariff. Does not that sound like logic?

Mr. KING and Mr. COPELAND addressed the Chair.

The PRESIDING OFFICER. To whom does the Senator yield?

Mr. SACKETT. I yield to the Senator from Utah.

Mr. KING. Mr. President, the Senator from Kentucky is always logical. Sometimes his premises are wrong. In this instance I have no doubt his logic is faultless, but his premises I think are unsound.

Mr. SACKETT. May I ask what those premises are? I am seeking information.

Mr. KING. The premises are that the Senator assumes, first, that this industry will not be permitted to exist unless it maintains this high tariff; and, secondly, that the emendation which the Senator seeks will reduce the price of the product to the 15,000,000 children in the schools.

Mr. SACKETT. No; I did not put it on any such premise as that at all, if the Senator please. I am not one to stand here and say that if we raise the duty it is going to make the product cheaper. That is not necessarily the case. Frequently, however, it happens, because it encourages an industry to build up, and we have active internal competition; but I do say that the amount of increase will not be material, and that the loss that art education and the children would suffer by reason of destroying the domestic industry, as I think the evidence clearly shows would happen in this case, more than offsets the very slight amount of increase on this bulk material. I want to be understood on that.

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from New York?

Mr. SACKETT. Yes.

Mr. COPELAND. I call the attention of the Senator to the brief of the Prang Co., New York City, found on page 779 of the House hearings, where this statement is made:

The applicants for this increase claim that "all American manufacturers have been operating at a loss in this line." We challenge this statement. We further submit that, if any loss has been incurred, it has been due to their methods of doing business and not to competition of any imported school colors.

Then they point out why they believe that, and why it has not destroyed American manufacturers, because they point out that the cost of imported colors is from 80 cents to \$1.30 per hundred cakes, while in submitting bids to the New York City Board of Education and to other establishments the bids made were as low as 50 cents a hundred cakes; showing that these American manufacturers have been able to meet the competition abroad.

Further on in this brief, listen to the conclusions:

From the foregoing facts it is evident that—

1. The most important item affected by the proposed law will be the colors used in the public schools.
2. The increased cost will fall on school pupils and boards of education.
3. The increase is not necessary.
4. The increase in cost of school colors will be from 300 to 500 per cent.
5. Compared with the millions of school pupils involved the number of workmen affected is unimportant.
6. No theory of the tariff or of taxation will justify any addition to the cost of the necessities of education.

I sympathize with what the Senator from Kentucky has said; but I think, whether his premises are wrong or not, that his conclusions are.

Mr. WALSH of Massachusetts. Mr. President, will the Senator from Kentucky yield?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Massachusetts?

Mr. SACKETT. I do.

Mr. WALSH of Massachusetts. There seems to be an impression that there is something before the Senate other than the committee amendment. I want to say that this debate is more or less out of order, because the unanimous consent which I requested to take up another section of this paragraph in order to equalize the spread in rates here has been objected to, and the only question before the Senate is the committee amendment; and I do not understand that there is any objection to the committee amendment in view of the opposition to my proposed compromise.

Mr. KING. Mr. President, will the Senator yield?

Mr. SACKETT. Yes; I yield.

Mr. KING. I beg the Senator from Massachusetts to understand that I did not object to unanimous consent to take up the

amendment. I merely stated that I could not accept the amendment.

Mr. WALSH of Massachusetts. I understood the Senator to object to taking it up, because I asked unanimous consent.

Mr. KING. Oh, no; I did not.

Mr. SACKETT. No; I do not think he did.

Mr. KING. I never would object to a request of the Senator from Massachusetts to take up a matter by unanimous consent.

Mr. SACKETT. I want to know whether this is a bill to protect the German importer in his prices on these things, or whether it is a bill to protect the American producer; that is all.

Mr. WALSH of Massachusetts. We will find out by this vote.

Mr. SWANSON. Mr. President, I desire to ask the Senator from Kentucky a question about a statement he made. He said that in this item the consumer would pay the tax, and that we ought to put this article on the free list unless we are going to give ample protection. Is it the conclusion of the Senator, after careful thought and consideration, that the consumer pays the tax imposed in this bill?

Mr. SACKETT. I have seen a good many cases where he did not pay any tax at all, and I have seen some where he did; and I would not make it as a definite proposition for all time. When we built up the tin-plate industry by putting a tax on it, I do not know that the consumer paid the tax. Does the Senator from Virginia?

Mr. SWANSON. I am not prepared to say to what extent he pays the tax even now.

Mr. SACKETT. I thought not. I am not, either.

Mr. SWANSON. It depends upon whether tin is higher here than it is elsewhere.

Here is a confession by a man who is careful and thoughtful, a member of this committee, that after careful consideration he believes the Democratic contention that the consumer pays the tax is correct. If that is true, what does this bill mean?

Mr. SACKETT. I did not say that, if the Senator please.

Mr. SWANSON. That was the statement the Senator made—that the consumer paid the tax.

Mr. SACKETT. Oh, no; I did not. I said that in some cases he may, and in some cases he may not.

Mr. SWANSON. Subsequently, the Senator did.

Mr. SACKETT. No; I did not. I deny it.

Mr. SWANSON. When he does not pay the tax, Mr. President, it is an exceptional case. The Senator tries to isolate—

Mr. SACKETT. I did not say that, either.

Mr. SWANSON. I am proving the Senator's idea. "There are cases where he does not," was the language the Senator used. The merits and demerits of this bill can be handled very quickly with that confession.

Ordinarily, the consumer pays the tax. The object of it is to put up the price, to give protection, to enable the producers to get higher prices from the consumers. Consequently, this bill imposes heavier and heavier and heavier taxes on the American people, to be paid by the consumers, so understood; and when the consumer does not pay the tax it is an exceptional case, the general principle being that he does pay it; but there are some cases where he does not.

I will admit that ultimately, in the long run, there may be industries developed in this country where the American producer finally will let the product be sold cheaper to the American consumer than if he did not have a factory here; but that is an exceptional case; it must be judged on its exceptional merits or demerits. The general proposition can not be denied that the object of a protective tariff with high rates like these is to increase the cost to the consumer; and if the amendments of the committee are carried out, this bill will increase the cost millions and millions and millions of dollars to the consumers of the country. That is the reason why the bill is so objectionable. That is the reason why it has received very little approval anywhere. When we come to debate a specific matter, we find that the whole business is based on the idea that the consumers will pay more.

There may be cases where the consumers would be justified in paying more, because of the ultimate benefits that will accrue; but I say, and it can not be denied, that the immediate effect, the immediate intention, is to increase the cost of the product to the consumer. It is only in exceptional cases where it can be shown that the ultimate result will be, in years to come, that there will be less cost to the consumer. In 9 cases out of 10 that is not the eventual result, however.

Mr. WALSH of Massachusetts obtained the floor.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Tennessee?

Mr. WALSH of Massachusetts. I yield to the Senator.



Mr. McKELLAR. I simply wish to ask the Senator from Utah a question. The Senate committee amendment provides for a lower rate than the House?

Mr. SMOOT. It does.

Mr. WALSH of Massachusetts. Mr. President, I move that the committee amendment be amended by striking out "40 per cent" and inserting "50 per cent." If that amendment prevails, I shall then ask unanimous consent to take up clause 2, and move to strike out "70 per cent," the rate fixed in the bill upon assembled paints, and insert "60 per cent" instead.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Massachusetts to strike out "40" and insert "50."

#### DISTRICT OF COLUMBIA POLICE DEPARTMENT

Mr. BLEASE. Mr. President, I do not care to take up the time of the Senate now in a discussion of the pending amendment; but I desire to call attention to the first page of the Washington Times of Saturday, October 26, 1929, and ask Senators to get a copy of it and read it.

There is one article headed:

Hits police methods in case. Lips sealed for three years opened to-day to reveal facts that throw new light on the Scrivener murder mystery.

That is one of the cases in which they are trying to discredit Allen by trying him next Wednesday before a police board, so as to try to make an impression on the jury in the trial of the Scrivener case, if it should ever be tried, which I doubt, in this District, especially under the government that has control of it to-day, that has henchmen going around to endeavor to keep men from telling the truth who know it, and threaten others with discharge if they do tell the truth.

That article is by a young lady to whom Mr. Scrivener was engaged. I ask that it be published in the RECORD.

Here is another article to which I want to call attention:

#### M'PHERSON STRANGLER KNOWN

The Department of Justice has reached the end of its investigation of the slaying of Mrs. Virginia McPherson and has definitely established the fact that the pretty nurse was the victim of a strangler.

That is the case which Allen reported, where the authorities claimed that Mrs. McPherson had committed suicide. Allen said she had not, and not only the grand jury investigated and said it was a murder but now the Department of Justice says it was a murder. Yet Allen is to be tried for insubordination, and has been suspended by Pratt because Allen had the nerve to say that Mrs. McPherson was murdered instead of letting it go, concealed and hidden by certain other members of the detective bureau and the District attorney's office in this District. Pratt wants to discredit Allen in that case also by bringing him to trial.

#### RACKETEER SNEAKED IN TO HAND

A headquarters detective slipped a Washington racketeer into the rear entrance of the fifth precinct and arranged a cell interview with William Wilbur Hand, the Toledo desperado, who escaped from the police station early last Wednesday morning.

Another article introduced precinct No. 5. Look at the smiling face of this man, how pleasant he looks.

#### LANGDON, DRY-SQUAD MAN, IS TRAPPED WITH LOAD

The Washington Times, aided by special agents of the Bureau of Prohibition, last night trapped Robert F. Langdon, liquor enforcement officer of the fifth precinct—

A fine fellow!—

as he was about to deliver 10 gallons of whisky at a house in the 2800 block Thirteenth Street NE.

When asked about his whisky associates, Langdon remarked that he was no "pimp."

I congratulate him for that. If a man goes into something and gets caught, I do not believe in him squealing on the other fellow; and even though he did run liquor, he is a pretty good fellow. It is like a bad boy who loves his mother—as long as he loves his mother there is something good in the boy.

When asked about his whisky associates, Langdon remarked that he was no "pimp" and would take it on the chin rather than drag anyone else into the affair.

Here is another article headed—

Detective and fireman drink in one den.

That is just a part of the record of the District of Columbia police department and the district attorney's office, as published in one of the papers of this city this morning. Yet we are told that Captain Doyle should be suspended and that Mr. Allen should be suspended, taken off the pay roll; that Pratt should be

allowed to discredit the testimony of Allen by trying him, and having a packed jury, for that is all it will be. Any man who has practiced criminal law knows what a packed jury is, and especially when one's enemy, the man who is persecuting him, can pick the jury. What chance has a man? It does not make any difference what showing he makes, he will be convicted, because Pratt wants to shield the department in these two horrible murders that were passed off in this country as suicides.

I say and repeat that Pratt should come out of his office at the head of the police department; Kelly should come out of his; and Shelby should come out of his. They are charged with more serious offenses than Doyle or Allen, but being "pets" of the "higher-ups" are kept on and protected.

Senators may not believe it; they may think it is idle talk, but if we do not do something at an early date in this matter, just as surely as we are living this city is going to be a hades of crime. It is getting worse every day. Somebody should be put in control in this city who would have the nerve and the backbone to straighten it out. Somebody should be put in control in this city whom the men of the underworld would have no hold on.

A man higher up is gone if he ever accepts one bribe. Senators know that. If one of the commissioners of this District accepts a present, or if the chief of police or the head of any department ever accepts anything, even if it is nothing but a couple of quarts of liquor, from an "underman," the "underman" has him fast. We all know that.

The greatest mistake a young lawyer who starts out to practice ever makes is ever letting the other side fool him into settling a case because he is going to get a greater sum of money than his fee would be. The man who makes the offer never has respect for the one who accepts it; he would not give him any business, because having bought him himself he would not trust him. So with an officer; once bought always bought.

The same principle applies to an election. If you can hire a man to go out and get votes for you, you have to watch him all the time, because if you do not he is likely to sell out at the last minute.

Senators we ought to take some action and take it right away. This thing is getting serious, and it may be more serious than Senators think. It may be brought home; not to me personally; I have no fear of that. I have been threatened many a time and, of course, I might some day be killed by some fellow who would shoot me in the back. If he comes to my face and gives me a chance to defend myself and kills me, congratulate him; do not make any complaint about it.

Mr. HEFLIN. Mr. President, will the Senator yield?

Mr. BLEASE. I yield.

Mr. HEFLIN. Does the Senator remember that some time ago there was a shooting out at a road house in Maryland, or in the District of Columbia on a Maryland road, where a man, and, I think, a woman, were killed? A citizen of this District came to me the other day—and I think the Senator has talked to him, too—and told me that he had told one of the detectives of the city of Washington who did the shooting and who the witnesses were. That detective told him to see another detective, and he said he told the other detective about it, and told him where the murderer was, but that they had not done anything about it, and that the man who did the killing was now living in a city near by. Is the Senator apprised of that fact?

Mr. BLEASE. Yes; Mr. President, I know of that, and I thank the Senator. I would be afraid to tell the Senate much of what has been told me, because I do not believe any man could possibly believe that the rottenness could exist in the world which is said to exist in the city of Washington, and how far it reaches, both up and down.

That is why I think something should be done in this matter. The men who are at the head of the government here should be required at least to bring about peace and order or get out, and men should be put in charge who could protect us. The men can protect themselves, but the women and children of this community need protection, and we as a Senate should demand it.

I do not want to criticize him, but, to be frank about it, I am surprised at Mr. Hoover; I positively am surprised. When I was the Governor of South Carolina and had the power to appoint law-enforcement officers, if the reports had come to me about a commissioner that have come to Mr. Hoover about the three commissioners of this District, if the reports had come to me about detectives working under the President as they have come to him, I would have discharged every one of them, even if one of them had been the closest friend I had in the world. I do not see how he can sleep peacefully in the White House when he knows what is going on in this city, and that his friends and supporters are not protected.

He should act and do it now; be a man or get out. He has the power and should use it.

This town is honeycombed with gamblers, blind tigers, women of the very worst type, thieves, and like criminals. Who is responsible for that but the men who enforce the law in this city? I repeat, I am surprised at President Hoover, as little respect as I have for him, because he has not at least made some attempt to try to correct some of these evils, and stop these murders and this horrible crime that is infesting this District. Is he afraid of these commissioners? He should remember President Harding's experience.

Mr. President, I ask that the articles to which I have referred be printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From the Washington Times, October 26, 1929]

#### SCRIVENER'S EX-FIANCÉE BREAKS SILENCE—HITS POLICE METHODS IN CASE

Lips sealed for three years opened to-day to reveal facts that throw new light on the Scrivener murder mystery.

For the first time since 1926, when Detective Sergeant Arthur B. Scrivener was found shot dead in a Georgetown alley, his fiancée, now Mrs. Helen Parker Maragon, spoke freely of the circumstances surrounding his death.

In an exclusive message to the Washington Times Mrs. Maragon, who now is in Chicago taking a course of training as a beauty specialist, vehemently answered the slanders that have been cast upon her name.

#### BITTER TOWARD KELLY

She was also bitter in her denunciation of Lieut. Edward J. Kelly, ousted head of the homicide squad, a friend of Scrivener's, who conducted the investigation into his death and was the chief advocate of a suicide theory.

She charged that Kelly coached her regarding the testimony she was to give at the coroner's inquest; that he tried to get her to identify the death gun as one she had seen in Scrivener's car; that he endeavored to convince her that Scrivener did not intend to marry her but, instead, was planning to wed a rival; that Scrivener was a dissolute character; and that he suspected her of having been unduly familiar with him.

She explained her 3-year silence by declaring that at first she believed Kelly to be her sincere friend, and that she thought his line of questioning and reasoning was an honest endeavor to solve the mystery satisfactorily. Now, she says, she has changed her mind and she is ready to tell all she knows.

#### LETTER DECLARED STOLEN

Mrs. Maragon, who was Miss Helen Barnes Parker, of McLean, Va., and who 14 months after the tragedy married John F. Maragon, a close friend of Scrivener, also revealed that a letter that Scrivener had written his mother a few days before his death extolling his fiancée and rejoicing over the prospect of his coming marriage to her, had been stolen on the day of the funeral.

"I am glad," said Mrs. Maragon in her message to the Times, "that my husband revealed to the public through the Times a few days ago that Lieutenant Kelly coached me as to what to say at the coroner's inquest. I am sorry, however, that Mr. Maragon did not explain why I withheld such information for three years.

"That is what I want to explain to the Times and to everyone. The reason is a very simple one and easy to understand. And I don't want any little thing unknown which might aid in solving this tragedy. The reason is that I mistook Kelly for my friend as well as Arthur Scrivener's. Instead he has proved to be a great enemy.

#### QUESTIONED ABOUT GUN

"During all the time I knew and went with Arthur, which was about 10 months, I never heard him say anything against Kelly. In fact, he never spoke against anyone. Whenever Kelly's name was mentioned, Arthur always said something nice or pleasant. And by the two of them being partners in their detective work, I thought them to be the best of friends.

"After the terrible tragedy I put all my confidence in Kelly, believing that all his efforts were being made to find the murderer. Since he and Maj. Henry G. Pratt, superintendent of police, told the public it was suicide, I could see, and now can see that Kelly was trying to persuade me to say something that would be another pointer to the theory they were trying to prove—suicide.

"I can remember distinctly that at the home of my sister, Mrs. Gantt, in McLean, Va., in the presence of Major Pratt, Kelly asked me three or four times if I had not before seen the gun which he showed me—the death gun. He persistently asked me if I had not seen that gun in Arthur's car when we visited Sandgate several week-ends together with another couple. He almost made me believe that I had seen it, but I had not and said 'No.'

#### COACHED BEFORE INQUEST

"Before I went on the stand at the coroner's inquest, he wanted to talk with me and did. I had never been in court before or on any

witness stand. I didn't know what it was all about, so I just took it for granted that he was helping me out. Instead he made me fear the assistant district attorney, Mr. Horning, and others who were trying their best to get the truth of the thing. My answers were short and not helpful as they would have been had he not interfered.

"In a private interview with Kelly at his office, he tried to make me believe that Arthur had no intentions of marrying me. Nothing in the world could make me believe that, for there was no reason for him to marry me if he didn't want to.

"Kelly also told me that Arthur and Miss Katherine Markey, a former fiancée, had been to a priest to arrange about their marriage. Forgive me, but when I think of all the slanders and insults he has cast at Arthur and me, I want to say, 'It's a lie.'

#### WANTED SECRET MARRIAGE

"Just after Arthur and I became engaged, Arthur begged me to marry him secretly. At first I said, 'Yes.' But after a few moments of serious thinking I said, 'No.' I knew we would be together so much that people might start undesirable gossip. He never told me, and I never asked him, why he wanted to keep it secret, but he said it would be for only a short time.

"In the interview in Kelly's office, Kelly frankly asked me if I had been intimate with Arthur. After telling him God's truth, 'No,' I knew by his action that he didn't believe me, or he pretended not, and he insisted that he, himself, take me to a doctor for an examination that would prove or disprove my reply. The reason for this, as I see it, was to make the public more firmly believe a dirty slander as to Arthur's health.

"When I was at the funeral at the home of Mrs. Scrivener, she told me of the letter she received from Arthur telling her of our coming marriage on Saturday—how happy he was, what a wonderful girl I was, etc. Please don't think I'm bragging, or wanting such publicity. It's not either. In God's name, I only want the world to know these facts for the one purpose of clearing up this terrible mystery.

#### THEN THE DIRTY WORK

"After the funeral Arthur's supposed friends started their dirty work—slandering his name, doing their best to put every mean thing on him. The papers were full of their dirty lies. One paper ran a story to the effect that I wasn't any good, either, and that Arthur had no intention of marrying me.

"I was at work when I read the story, and remembering the letter which Mrs. Scrivener had received, I wrote her, telling her the news and asking her for the letter for publication. In answer she wrote me the sweetest letter, like many others she had sent me, telling me how sorry she was to not be able to send me the letter Arthur had written her, as it had been stolen the day of his funeral."

#### MCPHERSON STRANGLER KNOWN

The Department of Justice has reached the end of its investigation of the slaying of Mrs. Virginia McPherson, and has definitely established the fact that the pretty nurse was the victim of a strangler.

Taking up the faint trail of the slayer, three weeks after the members of the homicide squad had so badly bungled the case as to make a clear picture of the tragedy almost hopeless, Federal agents finally managed to definitely establish the manner in which Virginia McPherson was slain.

#### TWO SUSPECTS CLEARED

Just what the nature of the evidence is, now in the hands of Justice agents, they, of course, decline to reveal.

The names of Dr. Thomas Ballard, of New York, former friend of the girl, and Howard Templeton, the last acknowledged person to see the girl alive, have been erased from the list of suspects by the investigators.

At no time in the investigation have agents believed that the pretty nurse, whose nearly nude body was found in her apartment in the Park Lane September 14, a pajama cord about the throat, was a suicide.

More than 500 witnesses have been examined and every rumor, no matter how trivial, has been run out by those working on the case.

The trail, practically obliterated by the bungling methods of police, was picked up and the key to the crime was finally found by the super-sleuths who have been in charge of the probe.

#### POLICE PROVE STUBBORN

In addition to being handicapped by the coldness of the trail, Justice agents were also up against a stone wall in the insistence of police that the nurse was a suicide. It is understood that even in the face of the irrefutable evidence of murder certain members of the homicide squad have tried to force their suicide theories on the agents of the Justice Department.

It has also been indicated by investigators that never in their experience have they seen a case which was so badly mismanaged as the police quiz of the death of the attractive nurse.

Jealousy, according to the probers, was the motive behind the slaying, and the identity of the killer has been clearly established, although his identity is kept a secret.



All evidence will be turned over to Attorney John E. Laskey, special assistant to the Attorney General, who will prosecute the slayer of the dead nurse.

#### RACKETEERS SNEAKED IN TO HAND

A headquarters detective slipped a Washington racketeer into the rear entrance of the fifth precinct and arranged a cell interview with William Wilbur Hand, the Toledo desperado who escaped from the police station early last Wednesday morning.

The Washington Times learned this exclusively to-day from a prisoner who witnessed the entire proceeding.

This amazing fact adds credence to the report that police furnished Hand the cell key with which he escaped.

The prisoner who furnished this important tip also overheard part of the conversation between Hand and the racketeer. In this talk Hand told of his intention to escape at the first opportunity.

#### DETECTIVE SOUGHT FEE

The racketeer made the visit to arrange for the purchase of Hand's beautiful new coupe, which the prisoner was willing to sell for between \$500 and \$800 and for which several members of the police department, including a captain, were bidding.

The detective's interest in arranging for the sale was that he expected to pocket about \$300 as a salesman's commission.

"This is a tough blow," Hand is reported by the prisoner to have told the racketeer when the latter was admitted to the door of the cell. "I simply can't stand taking the rap for 20 years. When they start with me from the station house for Toledo I'm going to make a break. It's dangerous, but I'll take a chance, and it's better to be dead than to be behind the bars for 20 years."

"It's a funny thing, but I'm innocent of the bank robbery of which I was convicted. I had hurt my leg and was laid up at home at the time the bank was cracked. I knew they were after me and I skipped."

#### FRIGHTENED AT PRISON

"Later, realizing that I was innocent, I hired a lawyer and returned to Toledo. To test out whether I would be recognized, I had my lawyer take me to a bank to introduce me and arrange for the opening of a bank account. The people didn't have an idea I was the hunted man. But my lawyer made a slip, the bank people got wise, and I was pinched at once. I was released on bond. Scared at the prospect of the long pen term, I skipped my bond."

"Then I was dumb enough to get picked up in Washington when I wasn't doing a thing but cruising about down town early one morning. The cop nabbed me on suspicion. When he got me to the lockup the boys checked up on me and discovered I was wanted in Toledo. But I'll get away again."

And Hand kept his promise and got away.

#### QUESTIONS WAIT ANSWER

The mystery now is: Who received the money that was paid for the car and what was done with it?

Was it telegraphed to a friend, as Hand had expressed a desire to have done?

Was all of the money taken over by A. J. Hand, Toledo business man and brother of the escaped prisoner, who came here to help dispose of the car?

Did the detective who was so interested in making the automobile sale get a piece of change?

Did some of the money go to the police who are alleged to have slipped the key to Hand?

These are questions which, if answered, will place the blame for the escape and probably will lead to the recapture of Hand.

#### REPORT DISPLEAS PRATT

Major Pratt does not seem to be any too well pleased with the preliminary report on the Hand escape submitted to him by Inspector Headley. In this report is a paragraph which flatly charges that there was "collusion" in the delivery of the prisoner, and Pratt is known to feel that use of so strong a word is not justified by the facts set out in the preliminary report.

Pratt further feels, it is understood, that there is no basis in the report for suspecting Policeman R. C. Speith, station clerk of No. 5, as recommended by Headley.

#### TIMES NABS COP WITH RUM—LANGDON, DRY-SQUAD MAN, IS TRAPPED WITH LOAD

The Washington Times, aided by special agents of the Bureau of Prohibition, last night trapped Robert F. Langdon, liquor enforcement officer of the fifth precinct, as he was about to deliver 10 gallons of whisky at a house in the 2800 block Thirteenth Street NE.

Langdon, who is alleged to have been playing a double game for many months, drove up to the house in an expensive sedan and as he entered the driveway was seized by special agents who were parked a few yards away.

Warren A. Heddens and W. J. Prince, special agents in charge of the case, caught the policeman as he was about to open a trunk on the rear of the car, which later revealed two 5-gallon kegs of high-power whisky.

Langdon at first showed some signs of resistance, but when informed that he was in the hands of the Federal law soon began begging for mercy, whining:

"For God's sake, fellows, give me a break. I'm married and have children, and all I was doing was trying to help a fellow out. Honest, boys, I was trying to do a friend a favor and he turned me in."

#### ARMED WITH PISTOL

As the whisky enforcement man of the fifth precinct tried to beg his way to liberty, even offering to leave car, liquor, and anything he had on his person, one of the agents frisked him and found an automatic pistol in a holster on his right hip. He made no resistance, however, as the weapon was taken from him.

The irony of the whole affair was that Prince, who was in the party, and Langdon had been working together on liquor cases for a number of months. Both men were astounded when they were face to face in the dark driveway where the policeman met his Waterloo.

Langdon was supposed to be one of the most efficient liquor men in the police department, until the denouncement last night, and was attached to the fifth precinct, from which William Wilbur Hand, notorious bank robber, escaped with the aid of some one on the inside several days ago.

#### REFUSES TO "PEACH"

When asked about his whisky associates, Langdon remarked that he was no "pimp" and would take it on the chin rather than drag anyone else into the affair.

He was also insistent that no member of the command at the fifth precinct had anything to do with Hand's escape, declaring that the bank robber was aided by friends on the outside.

After his arrest Langdon and special agents remained at the point he was captured for a short time and then went to the ninth precinct station, where the policeman protested at being incarcerated. He asked to be taken to the first precinct, and after a conference with Heddens this was done.

Langdon after recovering from his first shock at being nabbed in the act of delivering a load of liquor, seemed to take his arrest as a joke, his principal concern being the fact that his arrest would add another jolt to the police department, which is now tottering under the barrage of accusations being made against members of the force.

When Langdon was booked at the first precinct he was asked, "What is your occupation?"

#### FORESEES PRESCRIPT SUSPENSION

"Policeman; I mean I was a policeman until an hour ago," returned Langdon with a grin.

Before he had answered all questions necessary in the process of being booked on charges of transporting and possession of liquor, Langdon was called into the office of Capt. Frank Burke, where he was suspended by Night Inspector Hugh Groves and Inspector Thaddeus Bean.

Langdon refused to talk to any of his superiors, declaring that he knew nothing and, if he did, he would not divulge anything that might get other people in trouble. He made one remark, however, while waiting in the squad room. It was to the effect that, "Well, I might as well do like the rest of them and get in the game on a paying basis."

A search of the policeman's car revealed an empty bottle which had contained essence for making synthetic gin, a handful of hairpins, a blackjack, several whiskey glasses, and extra shells for a service revolver.

Others in the raiding party were: H. R. Johnson, A. M. Richardson, W. F. Martin, and A. M. Murphy. Langdon after being locked up in the cell block of the first precinct for about an hour, was liberated on bond of \$2,500 for appearance in police court to-day.

#### DETECTIVE AND FIREMAN DRINK IN ONE DEN

Additional evidence of police protection of speakeasies in wet Washington is contained in the fourth chapter of the exclusive exposé of amazing violations of the prohibition law in the National Capital, being printed serially in the Washington Times.

#### REVISION OF THE TARIFF

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 2667) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. WALSH] to the committee amendment on page 28, line 23.

Mr. KING. Mr. President, of course I would be very glad to get a vote this afternoon, but there are so many Senators absent that I ask my colleague to pass this matter over until Monday.

Mr. WALSH of Massachusetts. Mr. President, I did not hear distinctly what the Senator said. Did he request that the amendment be passed over?

Mr. KING. That is what I suggested.

Mr. WALSH of Massachusetts. I withdraw my amendment to the amendment, and ask that the committee amendment be agreed to. I promised the senior Senator from Utah that I would not take the time of the Senate in case objection developed.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. SMOOT. Mr. President, the next amendment is on page 29, paragraph 69. I ask that that amendment may go over. I would like to say to the Senate at this time that there are but a few amendments left in this schedule, and I would like to have them called up, and if there is any objection at all, I will agree that those objected to may go over.

The next amendment was, on page 29, line 19, before the words "ad valorem," to strike out "25 per cent" and insert "20 per cent," so as to make the paragraph read:

PAR. 70. Bone black or bone char, and blood char, 20 per cent ad valorem; decolorizing, deodorizing, or gas-absorbing chars and carbons, whether or not activated, and all activated chars and carbons, 45 per cent ad valorem.

Mr. GOLDSBOROUGH. I understand that the Senate is now about to consider the amendment relating to bone black.

Mr. SMOOT. That is correct, the amendment found in paragraph 70. Does the Senator want to have it go over?

Mr. GOLDSBOROUGH. I am willing to consider it now, or to have it go over, whichever may be the pleasure of the Senator from Utah?

Mr. SMOOT. If there is any question about it, let it go over.

The PRESIDING OFFICER. The amendment will be passed over.

The next amendment was, on page 31, line 13, paragraph 79, where the committee proposed to strike out "18 cents" and insert in lieu thereof "13 cents," so as to read:

Citrate, 13 cents per pound.

The amendment was agreed to.

The next amendment was, on page 31, line 14, where the committee proposed to strike out "2½ cents" and to insert in lieu thereof "1½ cents," so as to read:

Chlorate and perchlorate, 1½ cents per pound.

The amendment was agreed to.

The next amendment was, on page 31, line 20, where the committee proposed to strike out "5½ cents" and insert in lieu thereof "1 cent," so as to read:

Nitrate or saltpeter, refined, 1 cent per pound.

Mr. KING. May I inquire of my colleague if the evidence did not warrant placing that item on the free list?

Mr. SMOOT. We considered it very carefully and we came to the conclusion that the rate should be at least 1 cent a pound instead of 5½ cents, as provided by the House.

Mr. KING. I am willing that we may take action on this amendment, with the understanding that we may recur to it if desired.

Mr. SMOOT. That may be understood.

The amendment was agreed to.

The next amendment was in paragraph 80, page 31, line 22.

Mr. KING. Let that go over until Monday.

The PRESIDING OFFICER. The amendment will be passed over, on request of the Senator from Utah.

The next amendment was, on page 32, line 8, where the committee proposed to strike out "1½ cents" and to insert in lieu thereof "2 cents," so as to read:

Chlorate, 2 cents per pound.

Mr. SMOOT. I ask that this committee amendment may be disagreed to.

The amendment was rejected.

The next amendment was, on page 32, line 11, where the committee proposed to strike out "15 cents" and to insert in lieu thereof "12 cents," so as to read:

Citrate, 12 cents per pound.

The amendment was agreed to.

The next amendment was, on page 32, line 17, to strike out "1 cent" and insert "1½ cents," so as to read:

Phosphate (except pyro phosphate) containing by weight less than 45 per cent of water, 1½ cents per pound.

Mr. KING. Mr. President, may I ask the Senator the reason for that increase? It seems to be a very large increase.

Mr. SMOOT. There are two items involved and one is a decrease and the other is an increase. If we agree upon the one we ought to agree upon the other. The Senate has under-

taken now to make a proper relationship between the articles. If the Senator desires to let us agree to it and return to it later in case he should be so advised, that course is agreeable to me.

Mr. KING. Very well.

The amendment was agreed to.

The next amendment was, on page 32, line 19, to strike out "2 cents" and insert "three-fourths of 1 cent," so as to read:

Phosphate (except pyro phosphate) not specially provided for, three-fourths of 1 cent per pound.

The amendment was agreed to.

The next amendment was, on page 32, line 21, to strike out "1½ cents" and insert "1½ cents," so as to read:

Silicofluoride, 1½ cents per pound.

Mr. KING. It seems to me from the evidence that there should be a larger reduction.

Mr. SMOOT. Then we will let it go over.

The PRESIDING OFFICER. The amendment will be passed over.

The next amendment was, on page 32, line 24, to strike out "three-eighths" and insert "one-half," so as to read:

Sulphide, containing not more than 35 per cent of sodium sulphide, one-half of 1 cent per pound.

Mr. KING. That is an increase too. I am not satisfied with it. Let it go over.

The PRESIDING OFFICER. The amendment will be passed over.

The next amendment was, on page 32, line 25, to strike out "three-fourths of," so as to read:

Sulphide, containing more than 35 per cent, 1 cent per pound.

The amendment was agreed to.

The next amendment was, on page 33, line 1, to strike out "sulphite, bisulphite, metabisulphite."

Mr. KING. That is merely a rearrangement of the order in which the commodities are taken up?

Mr. SMOOT. Yes; but it is an increase from three-eighths to one-half cent per pound.

Mr. KING. Let that amendment go over then, too.

The PRESIDING OFFICER. The amendment will be passed over.

The next amendment was, on page 33, line 2, to strike out the word "pound" and insert "pound; sulphite, bisulphite, and metabisulphite, one-half of 1 cent per pound."

Mr. KING. That is involved in the former amendment and should go over, too.

The PRESIDING OFFICER. The amendment will be passed over.

The next amendment was, in paragraph 98, page 35, line 1, to strike out "Par. 98. Wood tar and pitch of wood, and tar oil from wood, 1 cent per pound."

Mr. SMOOT. That all goes to the free list.

Mr. KING. I invite my colleague's attention to an amendment on page 34, line 11.

Mr. SMOOT. Yes. That was evidently overlooked by the clerks.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 34, line 11, strike out the word "elsewhere" and insert the word "specially," so as to make the paragraph read:

PAR. 91. Vanadic acid, vanadic anhydride, and salts of the foregoing, 40 per cent ad valorem; chemical compounds, mixtures, and salts, wholly or in chief value of vanadium, not specially provided for, 40 per cent ad valorem.

The amendment was agreed to.

Mr. SACKETT. Mr. President, I would like to call the attention of the Senator from Utah to an amendment of the Senator from Kansas [Mr. CAPPER] on page 33, paragraph 84, which has been printed. The Senator from Kansas is not here.

Mr. SMOOT. There is no committee amendment in that paragraph. The amendment of the Senator from Kansas will be taken up when we reach individual amendments.

Mr. SACKETT. Very well.

Mr. SIMMONS. Mr. President, I would like to ask the Senator about the amendment on page 35, line 1.

Mr. SMOOT. We have just reached that now. Those items are to be transferred to the free list.

Mr. SIMMONS. I ask that that amendment may go over.

The PRESIDING OFFICER. The amendment will be passed over.

Mr. SIMMONS. There are one or two amendments which have been agreed to, which I think contain elements of fertilizer,



I shall ask the Senate probably when we reach those to reconsider them so I may present an amendment.

Mr. SMOOT. I made the statement, almost in the beginning of the discussion on the bill, that whenever a Senator desired a reconsideration of an item agreed to, I would grant consent, so far as I am concerned.

Mr. SIMMONS. I thank the Senator.

Mr. SMOOT. It has been requested that the items which have been passed over shall go over until Monday. I think the only thing we can properly do now is to take a recess until Monday morning.

Mr. BARKLEY. Mr. President, may I ask the Senator from Utah what amendments have gone over that were not finally acted on?

Mr. SMOOT. There are several of them. For instance, we have already agreed to take up the oil schedule the first thing Monday morning. That will take very considerable time. The request of the several Senators was that we do not take up that subject until Monday. I think it would save time to so arrange it, in order that we may have all the discussion at once and not have it broken up on two different days.

Mr. BARKLEY. That is the chief article which has gone over in this schedule?

Mr. SMOOT. That is the most important item that has gone over, although the American-valuation question is still to be considered.

Mr. WAGNER. Mr. President, consent has not yet been given so that the Senator from Idaho [Mr. THOMAS] will be permitted to offer his amendment as a substitute for the oil paragraphs.

Mr. SMOOT. That may be done Monday. That subject has been passed over and will be taken up for consideration on Monday morning.

Mr. WAGNER. Very well.

#### THE POSTAL SAVINGS BANKS

Mr. DILL. Mr. President, I have in my hand an article on the Postal Savings Banks, by Mr. Thomas J. Jackson, of Grand Forks, N. Dak., which I would like to have printed in the RECORD.

The PRESIDING OFFICER (Mr. Fess in the chair). Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

#### PART I

The postal savings bank is not a bank or a banking system so much as it is an adjunct of the Government, for the fundamental idea is that through the post office the Government holds out that it is willing to accept the savings deposits of the people, invest them in its own securities, and become absolutely responsible for the safe return of the funds when called for, with a nominal rate of interest. (Readings in Money and Banking, by Phillips, p. 278.)

Practically all the great powers in Europe, except Germany and Switzerland, have postal savings banks. In all there are over 40 countries that possess them. Whatever else a postal savings bank may be, it is without exception an institution working principally through the post offices, and its primary object is to encourage thrift among the poorer classes by providing safe and convenient places for the deposit of savings at a comparatively low rate of interest. In the discussion of the postal savings bank proposition in this country no one questioned the desirability of encouraging habits of economy and thrift on the part of the public, nor was there any question that adequate savings-bank facilities should be provided for this purpose; the debate hinged very largely upon the question whether adequate facilities of this character were not already provided by private initiative. The advocates of the postal savings bank claimed that adequate savings facilities were not and could not be provided by private enterprise, because of the expense of conducting savings banks in small communities, and also in larger communities where the people were not educated to the saving habit; and they pointed particularly to the lack of savings facilities in the Southern and Western States. (The United States Postal Savings Bank, Political Science Quarterly, vol. 26, No. 3, September, 1911, pp. 465-477. Article by E. W. Kemmerer.)

The agitation for a postal savings bank system in the United States began as early as 1871, when the first postal savings bill was introduced into Congress. In the ensuing years about 80 bills for the establishment of a postal savings system were advanced, and the system was strongly advocated by eight different Postmasters General of the United States. It was not until 1910, however, that postal savings banks were finally established in this country. \* \* \* The panic of 1907, which made it impossible for many of the savings banks to pay deposits on demand, greatly augmented the dissatisfaction with private savings banks and accelerated the movement for public institutions. \* \* \* The main objection to the Postal Savings System was raised by a special interest, namely, the existing savings and commercial banks of the United States. These banks urged that the existing facilities were fairly adequate and that for the Government to invade the field of banking

was an unwarranted interference with private initiative. (Financial Organization, by Moulton, p. 335.)

#### IMPORTANT PROVISIONS OF THE POSTAL SAVINGS BANK LAW

An account may be opened and deposits made by any person of the age of 10 years or more in his or her own name, and by a married woman in her own name, and free from any control or interference by her husband; but no person may at the same time have more than one personal savings account.

Deposits will be accepted only from individuals, and no account will be opened in the name of any corporation, association, society, firm, etc., or in the names of two or more persons jointly. No account will be made in trust for another person. (Many foreign countries allow this.)

No person may ordinarily have a deposit account in excess of \$1,000, exclusive of interest, except by special authorization of a board of trustees (Postmaster General, Secretary of the Treasury, and the Attorney General). With such authorization additional deposits may be accepted, not to exceed in the aggregate \$1,000 for each depositor, but upon which no interest shall be paid.

No account may be opened for less than \$1, nor will fractions of \$1 be accepted for deposit at any time.

The interest rate shall be 2 per cent on deposits which have remained for at least one year and will be computed only from the first of the month following the day on which the deposit was made.

Postal savings deposits will be evidenced by certificates of deposit issued in the name of the depositor. These will be nontransferable and nonnegotiable.

To enable any person to accumulate and deposit amounts less than \$1, depository offices will keep for sale postal savings cards at 10 cents each and 10-cent postal savings stamps which may be affixed to the cards. One card and nine stamps will be accepted as a deposit of \$1.

Any depositor may withdraw the whole or part of his funds by surrendering at the depository office the savings certificates properly indorsed. The postal savings funds shall be deposited by the postmasters in certain designated depository banks, which may be either National or State, savings, or commercial banks. If no local bank has qualified in any particular town or locality, then the funds shall be deposited in a qualified bank which is most convenient to such locality. The depository banks pay interest of 2½ per cent per annum on the funds received. No bank, however, is allowed to receive a total sum greater than its capital and half its surplus.

Five per cent of the funds received by any depository bank shall be turned over to the board of trustees and be kept with the Treasurer of the United States as a lawful money reserve against postal savings deposits.

Before any bank is qualified to receive postal savings deposits it must turn over to the board of trustees of the postal savings system public bonds or other securities approved by the board of trustees and deemed sufficient and necessary to insure the safety and prompt payment of such deposits on demand.

If at any time savings deposits in any city exceed the amount which the qualified banks therein are willing to receive under the terms of this act, the board of trustees may invest all or any part of such amount in bonds and other securities of the United States. And if, in the judgment of the President of the United States, the general welfare and interest of the United States require it, the board of trustees may invest all or any part of the postal savings funds except the reserve fund of 5 per cent in bonds and other securities of the United States.

Any profit received by the Post Office Department shall be covered into the Treasury of the United States as part of the postal revenue.

Any depositor may surrender his deposit or any part thereof in the sums of \$20, \$40, \$60, \$80, or \$100 and receive in lieu of such surrendered deposits, under such regulations as may be established by the board of trustees, the amount of the surrendered deposits in United States coupon or other registered bonds of the denomination of \$20, \$40, \$60, \$80, \$100, and \$500, which bonds shall bear interest at the rate of 2½ per cent per annum, payable semiannually, and be redeemable at the pleasure of the United States after 1 year from the date of their issue and payable 20 years from such date.

After five years there were 8,421 postal savings banks in the United States. It was anticipated that the postal savings banks would be patronized by immigrants to a large extent. On September 26, 1916, 60 per cent of the 625,000 depositors were born outside of the United States, and this 60 per cent owned three-fourths of all the deposits. This sum was about \$68,000,000 in cash. Notwithstanding the opposition of bankers generally to the postal savings banks, the Federal reserve law provides that postal savings funds shall not be deposited in non-member banks. At least, the money system cares for the common man's deposit money.

#### A BRIEF HISTORICAL SKETCH OF POSTAL SAVINGS BANKS—NATIONAL MONETARY COMMISSION—POSTAL BANKS OF LEADING COUNTRIES

The United Kingdom of Great Britain was the pioneer in establishing the postal savings bank system. The law was passed May 17, 1861, and became effective September 16, 1861. In the United Kingdom "friendly

societies," charitable societies, penny banks, registrars of county courts, soldiers, school children, trade-unions, etc., may deposit funds in postal savings banks. There are 23 foreign and colonial government savings banks participating in the arrangement with the British post-office savings bank for the transfer of accounts. Soldiers use the system from any part of the world. Annuities are granted.

The report states that a holder of a post-office savings bank annuity died last year at the age of 103 years. Life-insurance contracts are also granted and other forms of savings taken care of. The average cost per transaction on the total number of deposits and withdrawals works out at 5.76d., a slight increase over the previous year, due to causes explained.

#### CANADIAN POSTAL SAVINGS BANKS

The Canadian Parliament authorized postal savings banks in December, 1867. A limit of \$3,000 is placed on any individual's deposit for a year. The average account is between \$200 and \$300, indicating a well-to-do rather than a working-class patronage. In Great Britain it is about \$75 and in Belgium about \$65. The law has been so changed now that the deposits are handed over to a receiver general, and withdrawals are paid by him. This creates a floating indebtedness of approximately \$47,000,000, payable on demand. The rate of interest was reduced in 1897 to 3 per cent, where it stood at the time of this report, 1908. In 1906 there were 30 depositors for each 1,000 population, while Great Britain had more than 200 depositors per 1,000 population.

#### POSTAL SAVINGS BANKS OF FRANCE

With a decree issued August 23, 1875, by the President of France, existing savings banks were authorized to avail themselves of the assistance of the post offices in the transaction of their business with the public, but there was little use made of the privilege. A Mr. Cochery, the undersecretary of state, advocated the enactment of a postal savings bank law. This law came into effect January 1, 1882.

#### POSTAL SAVINGS BANKS OF ITALY

These banks were established in Italy May 27, 1875, and now have aggregate deposits of over \$290,000,000. There are about 800 of these popular banks and figures show a half million members, with a capital and reserve of \$22,000,000. Late reports will show different results.

#### BELGIUM POSTAL SAVINGS BANK

This bank, in fact, is not a postal bank, though it is run by the Government and functions the same as postal savings banks of other countries. There is no limit on the amount that anyone may deposit, except not over 5,000 francs may be deposited in a fortnight. The funds are invested partly in Government securities, partly in companies having a State guaranty, town communities, loans on mortgages, advances for workmen's dwellings, loans to the agricultural classes, etc., so the entire population has an interest in the funds of this bank.

#### POSTAL SAVINGS BANKS OF RUSSIA

The system was not established until 1889 in Russia. In 1907 there were 1,788,990 deposits averaging \$72. An interest rate of 4 per cent is paid.

#### POSTAL SAVINGS BANKS OF THE NETHERLANDS

Here the system was instituted in April, 1881. The uniform rate is 2.64 per cent. The director believes in advertising and has circulated gratuitously thousands of copies of a pamphlet headed "Government Postal Savings Banks." He has also communicated with the managers of all important companies and all local authorities and officials, and others who are influential, requesting them to do all in their power to present to their employees and others the advantages of postal-savings banks. Funds are invested in a wide margin of securities, State banks, municipal securities, railways under the guaranty of the State. The average gross earnings are 3.36 per cent, while the cost of administration is about 0.56 per cent.

#### AUSTRIA POSTAL SAVINGS BANKS

Here the system was established January 12, 1883. With a population of 26,000,000, there were 2,106,539 depositors with an average of \$21.84. The report states that the savings of these banks have enriched the general treasury by \$8,594,000, which is entirely separate from the check and clearing department. The check system had 79,711 participants in 1907, which was 98 per cent of the owners of the accounts. The turnover was 9,859,000,000 crowns. Investments are in Austrian securities. Some loans are made on title deeds. The check and clearing system was incorporated in the postal savings banks October 29, 1883. Anyone can participate in the check service by depositing a fixed nucleus capital of 100 crowns.

#### HUNGARY POSTAL SAVINGS BANKS

The system was set in operation in Hungary February 1, 1886. The average deposit is \$27.47. In matter of interest, Hungary followed the lead of Sweden and fixed the rate at 3.6 per cent but reduced it later to 3 per cent.

#### POSTAL SAVINGS BANKS OF SWEDEN

Sweden established her postal savings banks in January, 1884. Out of 1,000 population, 105 have accounts with this Government institu-

tion. No interest is paid on amounts in excess of 2,000 crowns, or \$536. The director general of the postal department is manager of the bank. State insurance through this department was organized in 1903.

To state briefly the extent to which postal savings banks are used throughout the world, the report gives Great Britain credit for having in America 3 different systems, in Australia 4, in Africa 6, in Asia 4, or a total of 17 besides her own in England, while in Europe there are in all 17, which, added to that of the United States, make 36, or about 79 per cent of all the nations of the globe. Some of these systems carry the checking privilege, per report of 1908.

#### PART II

##### IN THE UNITED STATES

The postal savings banks were established in the United States by the act of June 25, 1910, but the law has been amended twenty-two times. The funds accepted as deposits are turned in to the local banks that have qualified to receive the funds at a rate of 2½ per cent interest. Holders of certificates may surrender same and receive bonds in designated sums bearing interest at the rate of 2½ per cent. These bonds are exempt from taxation, and they may be purchased by the board of trustees at par plus accrued interest to date of purchase any time after issue in the event the holder wishes to sell.

Dealings with the postal savings banks are strictly personal. Finger prints are taken and depositors are protected. In the event of loss of the certificates of deposit, there is no danger of the funds being drawn out by the person who by chance or otherwise came into possession of the certificates belonging to another.

A recent change has been made in procedure for vouchering interest payments whereby a depositor who desires to collect interest is required to surrender his certificates; for the principal receiving new certificates and for the interest due cash is paid. If postal savings bonds are desired, the certificates of deposit are to be surrendered to comply with the regulation for issuing or exchanging for bonds semiannually—January 1 and July 1.

Postal savings funds, after leaving the custody of postmasters, are managed by the board of trustees. The Third Assistant Postmaster General is the regular constituted agent of the board of trustees, or, in his absence or disability, the deputy Third Assistant Postmaster General and chief clerk are authorized to act for the board.

Section 3 of regulations governing the deposit of postal funds in banks and the acceptance of bonds as security therefor provides for eligibility of banks to receive these funds. It is noted that either National or State banks, whether member banks of the Federal reserve system or not, may qualify to receive postal savings funds, also the term "bank" as used in the law includes savings banks and trust companies doing a banking business. Five per cent of the postal savings funds shall be withdrawn by the board of trustees and kept with the treasurer in lawful money as a reserve. Banks must make sufficient deposits of bonds, per regulations of board of trustees, to become lawful receivers of postal savings funds. The treasurer of the board of trustees shall make examinations semiannually, or oftener if he deems it necessary, of the securities which have been accepted from qualified banks, and whenever, in his judgment, any of such securities have so far depreciated in value as to make desirable the deposit of additional or new securities, he shall inform the Director Postal Savings System of the name of the bank, the kind and amount of securities, and the amount of the depreciation. The director will take proper steps to bring the securities of the bank up to standard: *Provided*, That the revaluation of securities required by this section may be deferred when, in the judgment of the board of trustees, such action is advisable. In the event there are more than one legally qualified depository bank receiving funds from the Postal Savings System, such funds shall be apportioned to the banks of that city, town, or village upon the basis of capital and surplus. Withdrawals, when made, shall be to the credit of the board of trustees for investments in bonds or other securities of the United States. Each bank shall furnish at any time to a duly authorized representative of the board of trustees any information requested as to its postal-savings transactions. A qualified bank may advertise that it is a United States depository for postal savings funds.

Postal Savings 2a, December, 1928 (Postal Savings System—Regulations Governing the Deposits in Postal Savings Banks, etc.), refers to bonds and interest-bearing certificates of indebtedness of the United States, bonds of Philippine Islands, of District of Columbia, of Porto Rico, and War Finance Corporation bonds, bonds of any State of United States, of Territory of Hawaii, and farm loan bonds will be accepted at par value.

The Postal Savings System, while it has been in operation nearly 17 years, is often misunderstood—so much so that it seems fitting to recount its history, to restate its aims, to present its difficulties, and to make a constructive recommendation.

The idea of postal savings is time honored. It originated in England in 1807, and the individual who proposed the plan that was adopted in 1861—one Charles W. Sikes—was knighted in recognition of his services to the nation upon the recommendation of Mr. Gladstone. Its success was immediate. (After recounting the many benefits the Postal Savings System bestows upon the "timid" in times of financial stress, conserv-



ing capital, etc. Postmaster General Harry S. New gives it out that the Government is not in the banking business.) He says:

"Such meritorious service is often lamentably misunderstood. \* \* \* The Government is not in competition with banks; that it has no thought of prying a single depositor away from a regular savings institution; that it employs only judicious publicity; that deposits come to the system not on account of the interest rate of 2 per cent but IN SPITE OF IT." (Caps are mine.) (True Mission of the United States Postal Savings System, by Harry S. New. Excerpts from report, June 30, 1907.)

## PART II

## LATEST AVAILABLE STATISTICS AND WHAT THEY MEAN

At the close of the fiscal year June 30, 1928, there were 6,683 depositories in operation, including 786 branches and stations, an increase of 11 depositories during the year.

The outstanding principal to the credit of postal savings depositors represented by certificates of deposit was \$152,143,349, an increase of \$4,784,095 over the amount for the corresponding date last year.

## Balance to the credit of depositors, by zones

	June 30, 1927	June 30, 1928	Difference
New England States.....	\$9,454,246	\$8,601,221	—\$763,025
Middle Atlantic States.....	52,061,280	44,009,893	—8,051,387
East North Central States.....	14,224,617	14,552,254	327,637
West North Central States.....	24,815,947	30,614,666	5,798,719
South Atlantic States.....	7,918,856	10,330,661	2,411,805
West South Central States.....	7,427,737	9,303,100	2,303,336
East South Central States.....	1,146,651	1,227,202	80,551
Mountain States.....	17,127,167	18,702,185	1,575,018
Pacific States.....	12,308,959	13,395,709	1,086,750
Territorial.....	973,794	888,428	14,634
Total.....	147,359,254	152,143,349	4,784,095

The number of depositors increased and also the average principal for each depositor increased from \$358.19 to \$369.06 or a per capita gain of \$10.87, which is over 3 per cent gain.

The funds were held by 3,851 banks, of which number 2,732 were national, 464 State members of the Federal reserve system, 653 State banks not members, and 2 organized private banks under State supervision. The board of trustees invested \$299,120 during the year in postal savings bonds purchased from holders at par plus accrued interest, which made the total holdings of such bonds \$10,624,260.

The Postal Savings System showed a net profit of \$618,602.32 for the year 1928. This is a slight increase over last year.

In the last annual report it was stated that "one is far afield who views the United States Postal Savings System as solely an instrument for the foreign born. This statement is strikingly verified by a poll of postal savings depositors as of June 30, 1928, which shows that New York State has 39.9 per cent native born. Massachusetts has 28.7 per cent, while in Pennsylvania, 63.7 per cent are native born; in California, 64.7 per cent; in Iowa, 80 per cent; in Florida, 83.7 per cent; in Texas, 87.5 per cent, in Georgia, 95.7 per cent; and in Alabama 97.6 per cent.

As of June 30, 1928, a special poll was likewise taken of depositors having \$2,500 on deposit, the maximum of the amount allowed by law to the credit of any one depositor. The depositors who had reached the limit were in the aggregate 10,278—1,354 being in New York State, 725 in Iowa, 555 in Pennsylvania, 525 in Montana, 521 in Illinois, 501 in Washington, and 500 in Oklahoma—in fact, all States embraced depositors barred by law from the making of further deposits.

Funds deposited in the system since its inauguration on January 1, 1911, total \$1,586,498,397, of which \$152,143,349 remained on deposit at the close of the fiscal year. The difference, \$1,434,355,048 covering withdrawals, is rich in import, for it represents savings for a purpose. Where did it go? It went into savings banks, into Government securities, into homes, into comforts of life, etc. So we see that the turnover, enriching our national life is more significant than the balance on deposit. (Report of the operations Postal Savings System, House of Representatives, 70th Cong., 2d sess., Doc. No. 368.)

## THE MEANING OF IT ALL

The graphs attached hereto, which were made from the statistics furnished by the Government, have a very definite meaning when we link same with our financial system and bear in mind the havoc wrought through the deflation program instituted by the Federal reserve system. Especially is this so in the agricultural group of States.

A Mr. A. N. Olson, of the Bureau of Agricultural Economics, when called by the Interstate Commerce Commission to give testimony concerning the depression from which people in agricultural districts suffer, said: "Bank failures for the United States over were heaviest in the agricultural States. For the year 1928, 56 per cent of the total failures were in 10 of the agricultural States." (Rate Structure Investigation, I. C. C. Docket 17000, pt. 7.)

In North Dakota over half the banks failed between the dates November 15, 1920, and March 31, 1928. These failures carried down deposit money to the tune of \$56,000,000. State banks carried down

\$36,563,433 and national banks the difference. (From a private letter of William Lemke, dated July 3, 1928.) In the absence of further information on the subject, we shall use these figures by way of comparison to explain the meaning of the great increase in deposits in postal savings banks during this same period, especially for the agricultural section.

Recalling Mr. Moulton's statement that opposition to the postal savings bank system from the beginning came from the banking interests, i. e., private banking, including the Federal reserve system (Federal in name but private in management), after it was set agoing—notwithstanding the fact that England as early as 1861 adopted the postal savings bank system, also other countries in Europe soon after, the United States tried since 1871 to get the postal savings bank system on our statute books, yet it was not until 1910, while William H. Taft was President, that success finally crowned the efforts of those who favor the postal savings system. Forty years of effort was nullified, killed off, by the banking interests of the country—private monopoly holding up the system that is now world-wide and working fine.

We recognize that the American Bankers' Association is the greatest combination of power in the world to-day. We note how insignificant our Postmaster Generals have been in comparison. Eight different Postmaster Generals recommended that Congress establish the postal bank system, all to be cut down by the force of the banking interests. We note, too, how deferential our Postmaster General Harry S. New was when he made his report last year. After recounting the many benefits the people have received from the postal savings bank system, he said: "Such meritorious service is often lamentably misunderstood." (By whom, I wonder?) "The Government is not in competition with banks." Take a look at the graphs attached hereto for the answer. The Government is in direct competition with private banks. How could it be otherwise? Was it not recognized thus from the beginning? Mr. New goes on \* \* \* "The Government employs only judicious publicity; the deposits come to the system, not on account of the interest rate of 2 per cent but in spite of it." This is all very true, but look at the rate of interest paid in other countries: Canada, 3 per cent; England, 2½ per cent; Netherlands, 2.64 per cent; Sweden, 3.6 per cent; Bulgaria, 4 per cent; Japan, 4 per cent, etc. The banking interests in the United States are so strong that even the Government officials in charge of the postal savings bank system itself are but apologetic friends to it. The private banks tolerate it because they could not overcome the law that made it; but look at the blocks they are throwing in the way! First, we find the lowest rate of interest in the United States of all the nations of the world; second, the banks borrow this money from the post offices at the low rate of 2½ per cent; third, the private banking interests—this is all, except the postal savings banks—contest every inch of ground in the great struggle to extend the services of the postal savings banks. They even made our officials deny that the Postal Savings System, as they are trying to have it called, is not a banking system at all; this we recognize as propaganda. All other countries call this same kind of service "postal savings bank system," and our most noted writers, e. g., Mr. Kemmerer, use the term "bank" in its proper meaning when speaking of our postal savings bank system. What is a bank? It is a place to deposit your money. In Austria they have the checking privilege along with that of deposit for safe-keeping. This same privilege is being urged upon Congress now, but how the banking interests fight it!

## STUDY THE GRAPHS

Minnesota outstripped all the other States in gains. She shot the top out of the graph with a deposit of \$7,375,548. North Dakota begins the deflation period, 1921, with \$20,627 on deposit in the postal savings banks of the State. As the banks fail and fail, the deposits shoot skyward; up, up they mount after 1924, with leaps and bounds, until 1928 they reach the sum of \$1,635,747, or a gain of nearly 8,000 per cent. Montana likewise performs astounding stunts as the people seek protection from the wholesale failures in private banking until the postal savings bank account reaches the sum of \$6,294,396, a close second to Minnesota. In five years North Dakota gained 8,700 per cent, as the deposits in 1923 were only \$18,810.

As to States by groups in graph, the same story is told as to the agricultural States. The other graphs are interesting. The Eastern States show a loss in deposits with the postal-savings banks, due to the fact that the financial center is there and money drains off east, putting those people in comparatively easy circumstances, wherefore they seek more lucrative employment for their savings. It must have been the cows of Wisconsin that made circumstances easy there during the deflation period. The far West shows a peculiar curve for these eventful years under study. There are many factors entering into the situation through the United States as a whole; however, if the loss of \$56,000,000 of deposit money, carried down by private bank failures in North Dakota, actually stimulated the 8,000 per cent gain in deposits at post office banks, can we not feel the full force of the Postmaster General's statement, when he said, "Deposits come to the postal savings system in spite of the interest of 2 per cent"? How much more the Government could do if it would! Fifty-six million dollars is a big price for the poor people of North Dakota to pay for this very noticeable lack of Government protection.

Why not put on a campaign to use the postal savings banks more? Why are the school children not taught to use this system provided by the Government. Why use such "judicious advertisement"? Why not spend some of the earnings of these postal savings banks to extend their usefulness just as our business men spend freely to extend their business? Is everybody scared of the power lodged in the American Bankers' Association?

THOS. J. JACKSON,  
Grand Forks, N. Dak.

## RECESS

Mr. SMOOT. I move that the Senate take a recess, the recess being until Monday morning at 10 o'clock under the previous order.

The motion was agreed to; and the Senate (at 1 o'clock and 5 minutes p. m.), in accordance with the order previously entered, took a recess until Monday, October 28, 1929, at 10 o'clock a. m.

## SENATE

MONDAY, October 28, 1929

(Legislative day of Monday, September 30, 1929)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

Mr. BINGHAM obtained the floor.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. Does the Senator from Connecticut yield for that purpose?

Mr. BINGHAM. I do.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Allen	Fess	Jones	Schall
Ashurst	Fletcher	Kean	Sheppard
Barkley	Frazier	Kendrick	Shortridge
Bingham	George	King	Simmons
Black	Gillett	La Follette	Smith
Blaine	Glenn	McKellar	Smoot
Blease	Goff	McNary	Steck
Borah	Goldsborough	Moses	Steiner
Bratton	Gould	Norbeck	Swanson
Brock	Greene	Nye	Thomas, Idaho
Brookhart	Hale	Oddie	Thomas, Okla.
Broussard	Harris	Overman	Trammell
Capper	Harrison	Patterson	Tydings
Caraway	Hastings	Phipps	Vandenberg
Connally	Hatfield	Pine	Wagner
Copeland	Hawes	Pittman	Walcott
Couzens	Hayden	Ransdell	Walsh, Mass.
Cutting	Hebert	Reed	Walsh, Mont.
Deneen	Heflin	Robinson, Ark.	Warren
Dill	Howell	Robinson, Ind.	Waterman
Edge	Johnson	Sackett	Wheeler

Mr. SCHALL. My colleague [Mr. SHIPSTEAD] is absent, Ill. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

## THE JOURNAL

Mr. JONES. Mr. President, I ask unanimous consent that the Journal for the calendar days of Monday, October 21, to and including Saturday, October 26, 1929, may be approved.

The VICE PRESIDENT. Without objection, it is so ordered.

## REPORT OF DISTRICT PUBLIC UTILITIES COMMISSION

The VICE PRESIDENT laid before the Senate a communication from the chairman of the Public Utilities Commission of the District of Columbia, transmitting, pursuant to law, a report of the commission's official proceedings for the year ended December 31, 1928, together with other data and information relating to the regulation and operation of the public utilities in the District of Columbia, which was referred to the Committee on the District of Columbia.

## BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FLETCHER:

A bill (S. 1959) to authorize the creation of game sanctuaries or refuges within the Ocala National Forest, in the State of Florida; to the Committee on Agriculture and Forestry.

By Mr. BROOKHART:

A bill (S. 1960) granting a pension to Emeline A. La Gow; to the Committee on Pensions.

By Mr. HOWELL:

A bill (S. 1961) granting an increase of pension to Joseph Benesch; and

A bill (S. 1962) granting an increase of pension to Anna Pallat; to the Committee on Pensions.

By Mr. TYDINGS:

A joint resolution (S. J. Res. 78) for the establishment of a commission for the construction of a Washington-Lincoln Memorial Gettysburg Boulevard connecting the present Lincoln Memorial in the city of Washington with the battle field of Gettysburg in the State of Pennsylvania; to the Committee on the Library.

ADDRESS OF THE PRESIDENT AT LOUISVILLE, KY. (S. DOC. NO. 34)

On motion of Mr. SACKETT, it was

Ordered, That the address of the President of the United States delivered at Louisville, Ky., October 23, 1929, be printed as a Senate document.

Mr. BROCK. Mr. President, I ask to have printed in the RECORD an able and forceful article published in the Southern Cultivator, of Atlanta, Ga., in its issue of October 15, 1929, by Hon. HUGO L. BLACK, Senator from Alabama, entitled "Real Federal Farm Aid Imperative."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Southern Cultivator of October 15, 1929]

REAL FEDERAL FARM AID IMPERATIVE—FARMER IS NOT ONLY NOT GETTING HIS JUST SHARE OF THE COUNTRY'S WEALTH BUT HE IS GROWING POORER EVERY YEAR DESPITE THE FACT THAT HE IS THE ECONOMIC BACKBONE OF THE NATION

By Hon. HUGO L. BLACK, United States Senator from Alabama

The population of the United States is over 100,000,000. One-third of this number live on farms. The national annual income in this, the wealthiest nation on the globe, is more than \$90,000,000,000, and of this amount the American farmers receive about \$9,000,000,000. In other words, one-third of the population receives less than one-tenth of the national income. Agriculture in the United States, we are told by the experts, is \$20,000,000,000 worse off than it was 10 years ago.

This, in brief, is the story of the present plight of the American farmer expressed in dollars and cents. In plain English, he is not only not getting anything like his just share of the proceeds from the wealth of this great country but he is growing poorer every year despite the fact that he constitutes the economic backbone of the Nation, and since the foundation of the Republic has been the source of its moral and spiritual strength and leadership.

Literally the American farmer, heroic figure in the life of the Nation, without whose labors the vast industrial machine would collapse overnight like the proverbial house of cards, has been given the crumbs from the heavily laden tables of national wealth since the advent of the industrial era at the close of the War between the States in 1865. Faced by mounting prices on his necessities of life, with no corresponding increases in the price of the products of his toil, with unpaid loans, mortgages, and foreclosures harassing his daily life, the American farmer has borne his tribulations with marvelous patience. Stoically, conservatively, patriotically citizen that he is, the American farmer has shouldered these burdens and lived chiefly on hope. Meanwhile the manufacturing interests year by year have ground out their surplus millions with the help of a generous Federal Government committed to the policy of a bounty in the nature of a tariff, which has raised the prices of the things the farmer has had to buy.

It goes without saying that the protective tariff system, aided by the ingenuity and energy of the American workmen, has concentrated great wealth in the hands of manufacturers and has lifted the general standard of life for the industrial group.

But where is the farmer in this picture of prosperity? Has the Federal Government offered any compensation bounty or benefits to the farmer to counterbalance the tariff bounty for industry? Let us see what the Government has done for the farmer.

## EXPERIMENT STATIONS STARTED

The land grant act of 1862 established the agricultural colleges in the States and provided the foundation for the teaching of agriculture to the youth. It was soon discovered that much experimental and research work was necessary to insure effective teaching of agriculture, and so Congress in 1889 enacted legislation which resulted in the establishment of agricultural experiment stations in connection with the State colleges.

There was established more than 40 years ago a Federal Department of Agriculture which until 1913 confined its efforts almost exclusively to the field of production, the objective being to make "two blades grow where one grew before." In 1914 Congress enacted the Smith-Lever Act, which provided Federal funds to be used in carrying information direct to the farmer through practical field demonstration, publication, and otherwise, in cooperation with the land-grant colleges. The law also made provision for the farm home. Thus the well-known agricultural extension service which is to be found in all the States, came into being with the definite objective of "advancing country life" by educational methods. The county agents of this service, under the guidance of State and Federal experts, have sought indirectly to help the